CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE 725 FRONT STREET, SUITE 300 SANTA CRUZ, CA 95060 (831) 427-4863





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APPEAL STAFF REPORT SUBSTANTIAL ISSUE DETERMINATION & DE NOVO HEARING

Applicants HMW Group LTD

Appellants......Commissioners Patrick Kruer and Mike Reilly

Local government City of Pismo Beach

Local decision Approved with conditions by the Pismo Beach Planning Commission on

October 25, 2005 (City Permit No. 02-0138).

County (APN: 005-152-027 and 005-152-032). See Exhibit 1.

Project description...... As approved by the City of Pismo Beach, the project involves demolition of 13

small rental cabins and a 7,000 square foot commercial building, and the construction of a 77,585 square foot, three story, 67-room ocean front hotel with 2 conference rooms, a fitness center, underground parking, and a foundation designed to function as a seawall. The project also includes construction of an outdoor courtyard available for public use with access connections to an adjacent public pedestrian boardwalk. The project has been subsequently modified by the applicant to replace the seawall foundation with a caisson/piling foundation, increase structural setbacks from the adjacent

public boardwalk, and incorporate a lot line adjustment.

submitted by applicants, and City of Pismo Beach certified Local Coastal

Program.

Staff recommendation . Substantial Issue Exists; Approve w/ Conditions



Summary of staff recommendation: On October 25, 2005, the City of Pismo Beach approved a Coastal Development Permit authorizing the demolition of 13 existing rental units and a 7,000 sq. ft. commercial building, and the construction of a 4-level, ocean front hotel with subterranean parking and related improvements. As approved by the City, the project involved a building foundation designed to function as a seawall to address hazards associated with storm wave run-up and tsunamis. The local approval was appealed by two Coastal Commissioners, due to concerns that the project did not conform to the City's shoreline hazards standards, height limits, and other LCP policies regarding protection of public views, provision of low-cost visitor-serving accommodations, and preservation of low-cost housing.

Substantial issues raised by the appeal include project inconsistencies with LCP standards that allow seawalls only when necessary to protect *existing* structures in danger of erosion, and that prohibit new development that may need a shoreline protective device within a period of 100 years. In addition, the City approval allows the hotel to be constructed to an average height of 35 feet, in conflict with the LCP's 25' special height limitation for ocean front parcels that are zoned R-4 (Hotel-Motel). Because of the structure's close proximity to a popular lateral access boardwalk, concerns regarding its impact on coastal views and recreation experiences also raise a substantial issue regarding project consistency with LCP visual resource policies.

Other substantial issues raised by the appeal relate to the lack of review by the City of LCP provisions that encourage the re-use of older beach cabins, such as those contained on the site, as a means to provide lower cost visitor serving accommodations. In addition, the local action did not adequately address mitigation requirements for the loss of lower cost housing opportunities established by the LCP. Accordingly, staff recommends that the Commission find that the appeal raises a **substantial issue** regarding the locally approved project's consistency with the visitor serving and housing provisions of the Pismo Beach certified LCP, and the access and recreation policies of the Coastal Act.

The revised project and supplemental information have, to a large degree, resolved many of these issues. Project modifications that replace the previously proposed seawall foundation with deep caissons reconcile inconsistencies with LCP policies that limit the construction of shoreline protective devices. In order to address visual resource policies, setbacks from the westerly property line and pedestrian boardwalk have increased, and the 2nd and 3rd floors have been stepped back. Public access from the pedestrian boardwalk to the public courtyard proposed by the development has been enhanced with the inclusion of a 3' wide ADA accessible ramp, and a second stairway has been added to allow for access to and from the sandy beach area directly seaward of the hotel.

Notwithstanding the improved design and mitigation measures, special conditions are needed to ensure that the project is carried out consistent with applicable LCP provisions, as well as Coastal Act access and recreation policies. Staff therefore recommends that the Commission **approve a permit with conditions** that:



- Refine and secure public access and recreation opportunities proposed by the project;
- Bring the project into conformance with the height limits and development standards of the LCP, and thereby protect coastal views and recreation opportunities along the adjacent boardwalk;
- Require the Applicants to assume risk of hazards associated with the proposed development, and waive the liability for any such claims of injury or damage against the Commission;
- Require construction, drainage, landscape, and beach restoration plans to protect coastal water quality, prohibit the planting of invasive exotic vegetation, and minimize construction impacts on coastal access and recreation opportunities;
- Assure that displacement of affordable housing opportunities will be mitigated; and
- Require recordation of a deed restriction that binds the Applicants and all successors to the property to the terms and conditions of this permit.

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Exhibits

Exhibit 1: Project Location Map Exhibit 2: Photo of Project Site

Exhibit 3: City of Pismo Beach Staff Report, Findings and Conditions Exhibit 4: Appeal of Commissioners Patrick Kruer and Mike Reilly

Exhibit 5: Revised Project Plans and Elevations

Exhibit 6: Proposed Lot Line Adjustment

Exhibit 7: Area for Public Access and Recreation Exhibit 8: Height Limitations: Ocean Front Parcels

1. Conditions of Approval

A. Standard Conditions

- 1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the Permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- **2. Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- **3. Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- **4. Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
- **5. Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the Permittee to bind all future owners and possessors of the subject property to the terms and conditions.



B. Special Conditions

- 1. Final Plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit Final Engineered Plans to the Executive Director for review and approval. The final plans shall be in substantial conformance with the June 30, 2006 plan revisions prepared by Clark Forest Butts AIA, which shall be revised and supplemented to comply with the following requirements:
 - **a. Building Height.** The maximum building height for all ocean fronting parcels, as shown on Exhibit 8, shall be 25 feet from existing natural grade. Maximum height for all other parcels shall not exceed 35 feet above existing natural grade at any point. Height limits for building appurtenances (e.g., cupolas, flag poles, elevator shafts, and tower features) may be extended by 15%.
 - **b. Building Articulation.** The following minimum development setbacks from the inland extent of the public boardwalk shall be maintained: 1st floor -21 feet, 2nd floor -35 feet, and 3rd floor -50 feet.
 - **c. Maximum Floor Area.** The total maximum building floor area shall not exceed 43,228 square feet (34582 x 125%), excluding the subterranean parking garage.
 - **d. Lot Coverage/Planting Area.** The total maximum building lot coverage shall not exceed 18,435 square feet. The minimum planting area shall be 6,900 square feet.
 - e. Hotel Foundation. The hotel foundation shall incorporate the use of deep caisson piers and be designed to insure appropriate minimum site stability standards as required by the Uniform Building Code, for development within a FEMA Zone-A flood plain. Other design considerations for the engineered foundation shall include direct wave attack, shoreline erosion, wave scour, liquefaction, and tsunami over the life of the structure (100 years). Final plans shall be submitted with documentation from a licensed geotechnical engineer that the plans are consistent with the recommendations contained in the *Geologic/Wave Run-up Reports (Earth Systems Pacific, as revised by the Response to Coastal Commission Comments, February 6*, 2007). The Permittee shall undertake development in accordance with the approved final plans, and as otherwise described by the amended project description submitted by the HMW Group, LTD on August 17, 2007.
 - f. Post Construction Drainage Plan. The drainage plan shall identify the specific type, design, and location of all drainage infrastructure and Best Management Practices (BMPs) necessary to ensure that post construction drainage from the project, including runoff from the roadway, paths, parking areas, and other impervious surfaces, does not result in erosion, sedimentation, or the degradation of coastal water quality. Such plan shall clearly identify a drainage system designed to collect, filter,



and treat all runoff prior to its discharge from the site and to remove vehicular contaminants and other typical urban runoff pollutants more efficiently than standard silt and grease traps. Such plan shall at a minimum provide for:

- (1) The drainage system shall be designed to filter and treat (i.e., a physical and/or chemical reduction of pollutants achieved through active filtration) the volume of runoff produced from each and every storm event up to and including the 85th percentile 24-hour runoff event prior to its discharge to Morro Bay. The drainage system and its individual components (such as drop inlets and filtration mechanisms) shall be sized according to the specifications identified in the California Storm Water Best Management Practice Municipal Handbook (California Storm Water Management Task Force, March 1993);
- (2) The drainage system may include natural biologic filtration components such as vegetated filter strips and grassy swales provided that they are populated with native plant species capable of active filtration and treatment (e.g., rushes). If grades require, check-dams may be used in such biologic filters.
- (3) The drainage system shall include at least one engineered filtration unit to which all drainage shall be directed prior to any discharge from the site. The engineered filtration unit shall be designed to remove, at a minimum, vehicular contaminants, and shall be appropriately sized to handle all parking lot drainage. Such unit may include media designed to remove expected contaminants.
- (4) All vehicular traffic and parking areas shall be swept and/or vacuumed at regular intervals and at least once prior to October 15th of each year. Any oily spills shall be cleaned with appropriate absorbent materials. All debris, trash and soiled absorbent materials shall be disposed of in a proper manner. If wet cleanup of any of these areas is absolutely necessary, all debris shall first be removed by sweeping and/or vacuuming, all storm drains inlets shall be sealed, and wash water pumped to a holding tank to be disposed of properly and/or into a sanitary sewer system.

The applicant shall be responsible for implementing and maintaining drainage, erosion, and sedimentation control measures and facilities for the life of the project. This shall include performing annual inspections, and conducting all necessary clean-outs, immediately prior to the rainy season (beginning October 15), and as otherwise necessary to maintain the proper functioning of the approved system.

The Permittee shall undertake development in accordance with the approved Plans. Any proposed changes to the approved Plans shall be reported to the Executive Director. No changes to the approved Plans shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is necessary



2. Construction Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit a Construction Plan to the Executive Director for review and approval. The Construction Plan shall identify the specific location of all construction areas, all staging areas, and all construction access corridors in site plan view. Construction and staging zones shall be limited to the minimum area required to implement that approved project, and to minimize construction encroachment on the beach, among other ways by using blufftop areas for staging and storing construction equipment and materials.

The Construction Plan shall also identify the type and location of erosion control/water quality best management practices that will be implemented during construction to protect coastal water quality, including the following:

- (a) Silt fences, or equivalent apparatus, shall be installed at the perimeter of the construction site to prevent construction-related runoff and/or sediment from discharging onto the beach.
- (b) All construction materials and equipment shall be removed in their entirety from the beach area by sunset each day that work occurs. The only exception shall be for the temporary erosion and sediment controls required above.
- (c) Grading are alteration of beach outside of the approved construction zone is prohibited with one exception as follows: existing quarry stone in the vicinity of the Stimson street end shall be removed.
- (d) Equipment washing, refueling, and/or servicing shall not take place on the beach. All construction equipment shall be inspected and maintained at an off-site location to prevent leaks and spills of hazardous materials at the project site.
- (e) The construction site shall maintain good construction housekeeping controls and procedures (e.g., clean up all leaks, drips, and other spills immediately; keep materials covered and out of the rain (including covering exposed piles of soil and wastes); dispose of all wastes properly, place trash receptacles on site for that purpose, and cover open trash receptacles during wet weather; remove all construction debris from the beach).
- (f) All erosion and sediment controls shall be in place prior to the commencement of construction as well as at the end of each work day.

A copy of the approved Construction Plan shall be kept at the construction job site at all times and all persons involved with the construction shall be briefed on its content and meaning prior to commencement of construction. The Permittee shall notify planning staff of the Coastal Commission's Central Coast District Office at least 3 working days in advance of commencement of construction, and immediately upon completion of construction.

The Permittee shall undertake construction in accordance with the approved Construction Plan. Any proposed changes to the approved Construction Plan shall be reported to the Executive Director. No changes to the approved Construction Plan shall occur without a Commission



amendment to this coastal development permit unless the Executive Director determines that no amendment is necessary.

3. Landscape Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit a Landscape Plan prepared by a landscape professional to the Executive Director for review and approval. The Landscape Plan shall clearly identify in site plan view the type, size, extent and location of all plant materials to be used, as well as the method and extent of irrigation that will be used to ensure planting success. Invasive species are prohibited; the landscaping plan shall not include any species listed on the *California Exotic Pest Plant Council List*. The planting of any exotic invasive species is prohibited.

The Permittee shall undertake development in accordance with the approved Landscape Plan. Any proposed changes shall be reported to the Executive Director. No changes shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is necessary.

- **4. Beach Area Restoration.** WITHIN THREE (3) DAYS OF COMPLETION OF CONSTRUCTION, the Permittee shall restore all beach areas and all beach access points impacted by construction activities to their pre-construction condition. All rock and debris landward of the public pedestrian boardwalk and along the Stimson Avenue street end shall be removed from the site. Beach sands within the construction area shall be sifted as necessary to remove all construction debris.
- 5. Public Access. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit an Access Management Plan to the Executive Director, for review and approval. The Plan shall specify the hours when the hotel outdoor courtyard and seating areas, sandy beach area, and all associated access connections to the pedestrian promenade, will be open and available for free public access and passive recreational use. At a minimum, public access and recreational use of the access area shall be available during daylight hours and evenings, 365 days a year, for the life of the development, except where limited private events are allowed in accordance with the approved Access Management Plan. Provisions for private events shall establish a maximum duration and number of events per year, which shall not exceed 7 private events on weekends between and including Memorial Day and Labor Day weekends, and shall ensure that at least 50% of the courtyard area remains open for free public use at all times during such events. The Plan shall also detail the type, design, and location, and content of all signs that will be installed to identify the location of public access areas and approved terms of use.

No development, as defined in Section 30106 of the Coastal Act, shall occur in the Public Access and Recreation areas, as described and depicted in an Exhibit attached to the Notice of Intent to Issue Permit (NOI) that the Executive Director issues for this permit, except for the development authorized by this permit.

PRIOR TO ISSUANCE BY THE EXECUTIVE DIRECTOR OF THE NOI OF THIS PERMIT,



the applicant shall submit, for review and approval of the Executive Director, and upon such approval, for attachment as an Exhibit to the NOI, a formal legal description and graphic depiction of the portion of the subject property affected by this condition, which shall include all public use areas described above, as generally shown by Exhibit 7 attached to this staff report.

- **6. Land Use Requirements.** All hotel facilities shall be open to the general public. No individual ownership or long term uses of units shall be allowed. Rooms may not be rented to any individual, family, or group for more than 29 days per year nor for more than 14 days between Memorial Day and Labor Day.
- 7. Assumption of Risk, Waiver of Liability and Indemnity Agreement. The Permittee acknowledges and agrees, on behalf of itself and all successors and assigns: (i) that the site is subject to hazards from episodic and long-term bluff retreat and coastal erosion, stream erosion and scour, wave and storm events, bluff and other geologic instability, and the interaction of same; (ii) to assume the risks to the Permittee and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards; and (v) that any adverse effects to property caused by the permitted project shall be fully the responsibility of the landowner.
- **8. Tsunami Preparedness Plan.** PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit, for the review and approval of the Executive Director, a plan for mitigating the hazards associated with tsunamis. The plan shall demonstrate that: (a) the existence of the threat of tsunamis from both distant and local sources will be adequately communicated to all hotel and resort guests, (b) information will be made available regarding personal safety measures to be undertaken in the event of a potential tsunami event in the area, (c) efforts will be provided to assist physically less mobile guests in seeking evacuation from the site during a potential tsunami event, and (d) hotel and resort staff have been adequately trained to carry out the safety plan. The plan shall include, at a minimum, the following components:
 - Tsunami Information Component detailing the posting of placards, flyers, or other materials
 at conspicuous locations within the resort, each hotel room, stairwell exits and elevator
 lobbies on all floors, and the parking garage, provided in an appropriate variety of languages
 and formats (e.g., International symbols, embossed Braille, tape recordings, etc.) explaining
 tsunami risks, the need for evacuation if strong earthquake motion is felt or alarms are
 sounded, and the location of evacuation routes;



- Tsunami Evacuation Assistance Component detailing the efforts to be undertaken by hotel and resort staff to assist the evacuation of physically less mobile persons during a tsunami event; and
- Staff Training Component detailing the instruction to be provided to all hotel and resort employees to assure that the Tsunami Preparedness Plan is effectively implemented.

The permittee shall undertake development in accordance with the approved final plan. Any proposed changes to the approved final plan shall be reported to the Executive Director. No changes to the approved final plan shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is required.

- **9. Compliance with Local Conditions of Approval.** All conditions imposed by the City under legal authority other than the Coastal Act continue to apply. PRIOR TO TRANSMITTAL OF THE COASTAL DEVELOPMENT PERMIT, the permitee shall provide evidence to the Executive Director that those conditions requiring action prior to the commencement of any work have been signed-off by the appropriate City official. Evidence of subsequent condition compliance must also be submitted to the Executive Director at the required stage.
- 10. Affordable Housing Replacement Plan. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit an affordable housing replacement plan to the Executive Director for review and approval. The plan shall provide for one-for-one replacement of the 13 dwelling units to be demolished by the project within the incorporated limits of the City of Pismo Beach coastal zone, and shall include preliminary designs and locations for the replacement units. PRIOR TO COMMENCING WORK ON THE DEMOLITION OF THE EXISTING UNITS, the Permittee shall submit, for Executive Director review and approval, evidence that the sites necessary to provide the replacement units have been acquired and restricted for the purpose of providing housing to persons with low and very low incomes. The replacement units shall be constructed and available for use within 3 years from the date work commences to demolish the dwelling units. Permittee shall be responsible for obtaining all permits required for the construction of the replacement housing units.
- 11. Deed Restriction. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Applicants shall submit to the Executive Director for review and approval documentation demonstrating that the Applicants has executed and recorded against the parcel(s) governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the special conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed



restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

2. Local Government Action

On October 25, 2007 the City of Pismo Beach Planning Commission approved a coastal development permit for a 67 room ocean front hotel with subterranean parking and related improvements at 147 Stimson in the Downtown Core planning area of the City.

An appeal of the Planning Commission decision was filed on January 3, 2006¹ by Coastal Commissioner's Patrick Kruer and Mike Reilly. The appeal contends that the project does not conform to the City's certified LCP shoreline hazards standards, and other LCP policies regarding height limits, protection of public views, and preservation of low-cost housing and visitor-serving opportunities.

3. 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 tide line 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 the area of development is between the sea and the first public road paralleling 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. 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 nearest public road and the sea or the shoreline of any body of water located within the coastal zone. This project is located between the nearest public

Although the City approved the project on October 25, 2005, notice of this Final Local Action was not received by the Commission until December 16, 2005, which resulted in an appeal period that ran from December 19, 2005 to January 3, 2006.



road and the sea and thus, this additional finding must be made in a de novo review in this case.

The only persons qualified to testify before the Commission on the substantial issue question are the Applicants, persons who made their views known before the local government (or their representatives), and the local government. Testimony from other persons regarding substantial issue must be submitted in writing. Any person may testify during the de novo stage of an appeal.

4. Summary of Appellant's Contentions

The appeal contends that the project approved by the City of Pismo Beach is inconsistent with the shoreline hazards, general development standards, and visual resource policies of the certified LCP, as well as the public access policies of the Coastal Act. Specifically, the appeal asserts that the City-approved project does not conform to certified Land Use Plan (LUP) Policies S-2 (New Development), S-6 (Shoreline Protective Devices), and Implementation Plan (IP) Chapter 17.078 (Hazards and Protection Overlay Zone), particularly section 17.078.060(5) (Shoreline Protection Criteria and Standards), which prohibits new development that will require shoreline protection within a period of 100 years. Contrary to these requirements, the locally approved project involves new development that includes a shoreline protection device.

Additionally, the Appeal questions the City-approved project's consistency with LCP standards that protect views to and along the shoreline and safeguard against structures with excessive mass and bulk (Section 17.102.010(9)(c)). The appeal also asserts that the project is inconsistent with the LCP's general development standards for height, coverage, and retention and/or replacement of affordable housing units within coastal zone (17.081.030(3), 17.102.080(3), and H-13). Lastly, the appeal contends that the project raises issues regarding consistency with Coastal Act access policy 30213, calling for the protection of low-cost visitor-serving and recreation amenities. Please refer to Exhibit 3 for the full text of the appeal.

5. Staff Recommendation on Substantial Issue

The staff recommends that the Commission determine that a substantial issue exists with respect to the grounds on which the appeal was filed. A finding of substantial issue would bring the project under the jurisdiction of the Commission for hearing and action.

Motion. I move that the Commission determine that Appeal Number A-3-PSB-06-001 raises no substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act.

Staff Recommendation of Substantial Issue. Staff recommends a **NO** vote. Failure of this motion will result in a de novo hearing on the application, and adoption of the following resolution and findings.



Passage of this motion will result in a finding of No Substantial Issue and the local action will become final and effective. The motion passes only by an affirmative vote of the majority of the appointed Commissioners present.

Resolution To Find Substantial Issue. The Commission hereby finds that Appeal Number A-3-PSB-06-001 presents a substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act regarding consistency with the Certified Local Coastal Plan and/or the public access and recreation policies of the Coastal Act.

Recommended Findings and Declarations

6. Project Location, Description, and Background

The project approved by the City is located on ten contiguous lots totaling 34,582 square feet, one block south of Pismo Pier, at 147 Stimson Street, and directly adjacent to the beach promenade at Pismo Beach State Park. The site is improved with 13 small and aging beach cottages and a single large metal structure. The cottages are a remnant from the former Clam Digger motel and are in poor condition. They are currently used as residential rental units. The existing warehouse is used for storage and parking. The property is zoned R-4 for hotel / motel uses by the certified LCP.

Currently, the western portion of the site is comprised mainly of beach sand and ice plant, and divided from the developed portion of the site by a noticeable break in elevation that has been created by wave scour and partly covered by unpermitted rock and debris, purportedly placed after the 1982 – 83 El Nino winter. The project site and adjacent site to the north are the only two remaining ocean front development sites between Hinds and Addie Streets that have not been re-developed within the past 20 years. The six block stretch of coastline between Main Street and Addie Street, within which the project is located, is improved with hotel/motels, restaurants, beach access and parking, and a series of shoreline protection devices.

The City approved project involves the construction of a 67 room hotel with underground parking and related improvements. The hotel structure includes three above ground floors rising to an average height of 35 feet with several pergolas / towers reaching up to 42 feet in height. There is also a subterranean parking garage with capacity for the required 81 parking spaces, two meeting rooms, a fitness center, business center, and public courtyard with connections to the City's pedestrian promenade. Due to the hazards associated with storm wave runup and tsunamis, the City's approval requires that the western portion of the hotel foundation and underground parking facility be engineered to function as a shoreline protective device. In addition, the City's conditions require the applicant to provide public access to the beach promenade, and make the new courtyard available to the public. The applicant is also required to 1) provide streetscape improvements along Stimson Street; 2) landscaping; 3) bicycle parking; and 4) temporary and permanent water quality and erosion control measures.



The project has since been revised by the Applicants. The project approved by the City, however, remains the focus of the Substantial Issue analysis.

7. LCP Background

The City's LCP is composed of two documents, the Land Use Plan and the Zoning Ordinance. The Land Use Plan was comprehensively revised in 1992, and Coastal Commission modifications were adopted in May 1993. In 1998, the City submitted to the Commission the first comprehensive Zoning Ordinance revision since certification in 1983. The Commission and the City were unable to reach a consensus on suggested modifications and thus, the 1983 Zoning Ordinance remains as the standard of review.

8. Substantial Issue Findings

8.1 Shoreline Structures

The certified Land Use Plan Safety Element Policies S-2, S-6, and Section 17.078.050(5) of the Zoning Ordinance regulate new development and construction of shoreline protective structures, and require new development to minimize risk to life and property by avoiding development in high hazards areas. These LCP provisions only allow for shoreline protection structures when necessary to protect *existing* principal structures in danger of erosion, and allow for the approval of new development only when it can be accommodated without shoreline armoring for a period of 100 years. (Please see the De Novo findings for a citation of these policies and standards.)

In contrast to these policies, the City's approval includes new development within a high hazards area that is periodically subject to wave attack, wave run-up, and inundation by tsunami. The locally approved project includes construction of a subterranean parking garage beneath the ocean fronting site and below the level of the beach. The wave run-up analysis prepared for the project indicates that under existing conditions, the site has a high potential for being flooded from an El Nino storm event or from a tsunami. In order to mitigate for the impacts of the potential hazards, the City's approval requires that the hotel foundation be engineered to function as a seawall. This conflicts with the LCP provisions referenced above. In addition, the wave run-up analysis that was the basis for the City's approval did not include an evaluation of the risk of flooding associated with sea level rise or long-term beach erosion, which are key factors to evaluating the project's compliance with LCP provisions regarding hazards and shoreline structures. Accordingly, the appeal raises a substantial issue.

8.2 Visual Resources

The project also raises questions of consistency with the certified LCP standards that protect views to and along the beach, and safeguard against excessive mass and bulk, throughout the R-4 (hotel/motel and visitor serving) zoned district. Specifically, section 17.102.010(9)(c) of the 1983 zoning ordinance



establishes a 25-foot height limit for new development on ocean-fronting parcels within the R-4 zone to limit massing along the pedestrian promenade and preserve scenic views. Elsewhere in the zone district, a height limit of 35 feet is allowed. Additionally, to further address scale and bulk, Section 17.081.030(3) requires a series of graduated setbacks for each successive floor on the primary ocean fronting elevation, up to the maximum height permitted by the underlying zone. (Please see the De Novo findings of this report for a citation of these provisions.)

The City-approved project includes three above ground floors that front the beach and the southern elevation (Stimson Street), and will be constructed to a maximum height of 35 feet with a portion at the rear of the site rising to 42.5 feet. Additionally a tower feature at the beach elevation is proposed at 42 feet. The project includes modest graduated setbacks at the west (beach) elevation to break up mass and introduce building articulation. This includes a 9', 15' and 19' step back on the first, second, and third levels, respectively. The City's findings for approval indicate that with the façade setbacks, the proposed 3-story, 35 foot height structure meets the intent of the development standard. However, the applicable standards require that both the maximum height be limited to 25 feet and a series of setbacks be incorporated to preserve scenic views and safeguard against excessive bulk and scale. Although the city-approved project includes the required step-back articulation, it exceeds the ocean front height limit by 10 feet and in some cases even more. It will block public views from the Stimson cul-de-sac and create an unusually large and massive structure directly adjacent to and looming over the public beach access promenade. As a result, the appeal contentions raise a substantial issue regarding the consistency of the local approval with the height limits and visual resource protection provisions of the certified LCP

8.3 General Development Standards

Section 17.102.080(3) of the certified LCP establishes the maximum allowable lot coverage for all structures within the R-4 zone at 55% of the parcel size. This standard limits the overall size and density of development, and thereby helps preserve visual aesthetics. The appeal contends that the project is inconsistent with this standard because if all elements of the project are included in the calculation of site coverage (e.g., the courtyard and driveways) the total amount of site coverage equates to approximately 90% of the development site.

The LCP defines "building lot coverage" as all portions of the building, either at or above ground level including garages, carports, and cantilevered portions of the building excluding roof overhangs, eves or similar architectural extensions. Although the LCP's definition of structure is more expansive, and includes anything that is erected, constructed, or placed onto or in the ground such as swimming pools, roads, driveways, and at-grade patios, etc., the City has consistently applied the LCP's definition of building lot coverage to the determination of allowable site coverage. Consistent with this approach, the locally approved building coverage amounts to 18,435 square feet or 53.3% of the development site. Accordingly, the appeal does not raise a substantial issue regarding project conformance with LCP coverage limits.

8.4 LCP Housing Requirements



Also at issue is the project's compliance with LCP Housing Policies. According to the Initial Study prepared by the City for the project, there are thirteen small dwelling units currently on the site that would be demolished. The Initial Study prepared for the project states that the units appear to have been designed for transient occupancy several decades ago, but have long been rented on a longer-term basis. According to the Initial Study, ten units are rented on a month-to-month basis, one is occupied by the property owner, and one is vacant. The Initial Study indicates that seven of the monthly rental units are rented at rates affordable to lower-income residents and the remaining units are affordable to moderate-income tenants.

LCP Housing Policy H-13 requires a one-to-one replacement of units that have been rented at rates affordable to low and moderate-income households with limited exceptions. In this case, the City's approval contained inconsistent information regarding the number of affordable units to be removed, inappropriately characterize the hotel project as a "coastal dependent use", and did not provide an analysis of the feasibility of providing replacement units. The City maintains that the applicant can satisfy the LCP housing requirements by paying an in-lieu fee, but it does not appear that any such condition has been placed on the city's coastal development permit. Therefore, a substantial issue is raised project consistency with LCP Policy H-13.

8.5 Access

The City approved project raises issues regarding consistency with LCP and Coastal Act access policies calling for the protection, encouragement, and where feasible, preservation of lower cost visitor and recreation facilities. LCP Housing Policy H-14 encourages the retention of older motels and cottage courts, which, where economically feasible, may continue to provide moderately priced overnight accommodations to Pismo Beach visitors, and identifies sources of economic assistance to facilitate such preservation. The City's approval did not analyze this option or evaluate opportunities to provide lower cost visitor serving accommodations, and therefore did not adequately address the requirements of LCP Policy H-14 and Coastal Act Section 30213. **Therefore, a substantial issue is raised.**

8.6 Substantial Issue Conclusion

In sum, the City's LCP requires new development to be assured of 100 years of stability without reliance on shoreline protective structures. It also directs new development to be located outside of high hazard areas and stipulates that seawalls may be permitted only to protect *existing* structures in danger from erosion. The LCP policies further establishes height limits to preserve scenic views abd avoid excessive mass and scale. In addition, LCP Housing policies require the replacement of affordable units, and encourage the retention of older motels and cottage courts. The City's approval does not adequately address these requirements, and raises concerns regarding conformance to Coastal Act access and recreation policies. Therefore, a substantial issue is raised regarding the consistency of the City's approval with LUP Policies S-2, S-6, H-13, H-14 and Zoning Ordinance Sections 17.078.060(5), 17.081.030(3), 17.102.010(9)(c), as well as Coastal Act Section 30213.



9. Staff Recommendation on De Novo Permit

The staff recommends that the Commission, after public hearing **approve** the Beachwalk Resort coastal development permit with conditions.

MOTION: I move that the Commission approve Coastal Development Permit No. A-3-PSB-06-001 pursuant to the staff recommendation.

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

RESOLUTION TO APPROVE THE PERMIT: The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of the certified City of Pismo Beach Local Coastal Program. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

De Novo Coastal Permit Findings

By finding a substantial issue in terms of the project's conformance with the certified LCP, the Commission takes jurisdiction over the CDP for the proposed project. The standard of review for this CDP determination is the City LCP and the Coastal Act access and recreation policies.

A. Hazards

1.1 LCP Hazard Protection Standards

As described in the Substantial Issue findings, incorporated herein, Policies S-2, S-6, and 17.078.060(5), address the use of shoreline protective devices and the need to ensure long-term structural integrity, minimize future risk, and avoid shoreline protective features in new development.

S-2 New Development

New development within the City's jurisdiction shall be designed to withstand natural and manmade hazards to acceptable levels of risk by:

d. Requiring new development to avoid portions of sites with high hazard levels.

S-6 Shoreline Protective Devices



Shoreline protective devices, such as seawalls, revetments, groins, breakwaters, and riprap shall be permitted only when necessary to protect existing principal structures, coastal dependent uses, and public beaches in danger of erosion. If no feasible alternative is available, shoreline protection structures shall be designed and constructed in conformance with Section 30235 of the Coastal Act and all other policies and standards of the City's Local Coastal Program. Devices must be designed to eliminate or mitigate adverse impacts on local shoreline sand supply, and to maintain public access to and along the shoreline. Design and construction of protection devices shall minimize alteration of natural landforms, and shall be constructed to minimize visual impacts. The City shall develop detailed standards for the construction of new and repair of existing shoreline protective structure and devices. As funding is available, the City will inventory all existing shoreline protective structures within its boundaries.

17.078.060 Shoreline Protection Criteria and Standards

(5) New development shall not be permitted where it is determined that shoreline protection will be necessary for protection of the new structures now or in the future based on a 100 year geologic projection.

1.2 Hazard Analysis

Policy S-2 requires all new development to minimize risk by avoiding development within known high hazard areas. Policy S-6 limits the construction of shoreline protective works to those required to protect *existing* structures or public beaches in danger from erosion. Implementation Plan standard 17.078.060(5) further prohibits new development if it is determined that shoreline protection will be necessary at any time within a 100 year geologic projection. The LCP provides these limitations because shoreline structures have a variety of negative impacts on coastal resources including adverse affects on sand supply, public access, coastal views, natural landforms, and overall shoreline beach dynamics on and off site, ultimately resulting in the loss of beach.

Pursuant to LCP guidance, policy S-2 and zoning standard 17.078.060(5) direct new development to be designed and sited to allow the natural process of erosion to occur and be able to withstand supercharged atmospheric and oceanographic events (El Nino, tsunami, etc.) without creating a need for a shoreline protective device. At a minimum, new development should be set back far enough to protect the principal structures from erosion for the reasonable economic life of the project (a minimum of 100 years per City policy). Under this approach, obviously, future erosion is to be expected.

The project site is located on Stimson Avenue, one block south of Pismo Pier and directly adjacent to Pismo State Beach and the Pacific Ocean. The beach in this location is fairly broad averaging several hundred feet in width during summer months when beach accretion is at its maximum. The site is separated from the beach by a 4' to 6' high rock strewn scarp, though it is part of the larger scale beach system. It is currently occupied by several small cottages and a warehouse building, which are planned to be demolished. Rip-rap rock and debris has been placed along the scarp and near the existing structures approximately 50 feet back from the western property line, as well as along the Stimson Avenue street end. Staff was unable to locate any coastal permits for the shoreline armoring at either location, however, the Applicant is proposing to remove the rock in conjunction with the proposed



development. The City of Pismo Beach has indicated that it will retain the rock at the terminus of Stimson Avenue.

To aid in the evaluation of potential hazards of the site, a geotechnical investigation and separate wave run-up analysis were prepared. The geotechnical investigation was prepared by GSI Soils Inc. (December 16, 2002) and makes specific recommendations on soil preparation and foundation design to address the limitations in the underlying soils. Also, a geologic/wave run-up analysis was prepared for the multi-level hotel and subterranean parking garage proposed for the site. The purpose was to evaluate the on-site geology and oceanographic conditions that would influence erosion of the existing beach, as well as assess wave run-up characteristics with respect to the planned development. The analysis was prepared by Earth Systems Pacific, April 18, 2005 and subsequently revised and supplemented on June 8, 2006, January 10, 2007 and February 6, 2007.

Lastly, a photogrammetric analysis was prepared by Joseph Scepan (photo image analysis expert) using a 2005 Google Earth image overlain by a 1961 coastal records photograph. Mr. Scepan's analysis indicates that the wet line has migrated slightly seaward over the past 44 years, suggesting that the Pismo Beach shoreline configuration is stable (i.e., in equilibrium), if not experiencing a bit of beach accretion. These findings comport with the results of the National Assessment of Shoreline Change (USGS Open File Report 2006-1219) for the long-term shoreline rate change at Pismo State Beach. The short-term shoreline rate change over the time period analyzed in the USGS report indicates an average erosion rate of 3 meters per year. These findings indicate an inconsistency between actual past events and the data presented in the USGS study.

1.2.1 Geologic Setting / Faulting

The near surface soils encountered on the site generally consist of alluvium and beach sand deposits originating from Pismo Creek. Beach deposits cover the entire development site and are estimated to be approximately 15' to 20' thick. Exploratory borings discovered moist and saturated soils beginning at approximately 10' below grade with free standing water at 15 - 17 feet. The very moist conditions indicate fluctuations in the groundwater table to as high as 10 feet below grade.

The site is located in a region of high seismic activity, and is expected to experience ground shaking from earthquakes on regional and/or local faults during the life of the structure. The San Andreas fault is located approximately 41 miles northeast of the site and dominates the structure and seismicity of this region. However, more localized faults also have significant potential to generate earthquakes and strong shaking at the site. These include: 1) the offshore group, including the Hosgri and Santa Lucia Bank faults; and 2) the Wilmar and San Luis Range faults. In addition, the Los Alamos-Baseline-Lions and Casmalia-Orcutt-Little Pine faults may be active or potentially active and pose a significant potential to generate earthquakes. Ground shaking is the primary risk associated with strong earthquakes; however they can also cause secondary seismic hazards such as liquefaction and tsunamis.

Soil liquefaction is the loss of soil strength during a significant seismic event and occurs primarily in saturated sands and sandy silts. As reported in the geotechnical investigation by GSI Soils Inc



(December, 2002) the site has a moderate liquefaction potential at a depth of 10 to 16 feet and a moderate to high liquefaction potential below 16 feet due to the moist/saturated conditions of the soil.

Vertical ground displacement due to submarine faulting may also cause a hazardous tsunami along the San Luis Obispo County coastline. The Earth Systems Pacific report indicates that one such event occurred in the late 1920's when a temblor occurred off the coast of Point Arguello. The resultant quake produced a tsunami that reached a height of 6 feet above mean high tide in Pismo Beach and other areas of San Luis Obispo County. Another tsunami in 1960, generated by a large earthquake in Chile, resulted in reports of a 9 foot high tide at Pismo Beach. Although clearly a threat to any development along the California shoreline, these risks can be exacerbated by such factors as sea level rise and localized geography that can focus storm energy at particular stretches of coastline.

1.2.2 Sea Level Rise

There is a consensus among experts that the overall global rate of sea level rise during the past 100 years is approximately 2 mm/year. However, in California, the shoreline is subject to extreme and complicated sea level variations –often related to oceanographic / meteorological conditions such as an El Nino event. El Nino occurs roughly every 7 to 10 years, causing a seiching effect or wave of warm water to travel north from the equator, raising the water temperature along the California coast. As the seawater warms, it expands and increases the volume of the ocean, which in turn, raises the sea level. During the 1982 – 83 El Nino event, sea level along the western U.S. seaboard rose more than a foot in some locations. After the El Nino conditions subside, sea level returns to its normal elevation. Since 1950, there has been seven strong El Nino events: 1957 -58, 1965 -66, 1972 -73, 1982 -83, 1986-87, 1991 -92, and 1997 -98.

Long-term sea level rise along the California shoreline has been relatively stable for thousands of years, as the rate of tectonic uplifting along the California coast outpaced the rise in sea level. However, there is mounting evidence that global climate change and a warming of the earth's surface, could tip the delicate balance in favor of higher sea levels along the California shoreline. Presently, beach erosion and flooding due to long-term sea level rise is not as significant as the short term sea level rise caused by an El Nino event. The Earth Systems Pacific 2005 report concludes that beach erosion and flooding at the site will be episodic and irregular, and attributed to the severe storms that are frequently associated with El Nino events. El Nino conditions will enable high-energy, short-period storm waves to attack farther up the beach and closer to the site of the proposed development.

1.2.3 Flooding

As taken from the Earth Systems Pacific, 2006 report, according to the FEMA Flood Insurance Rate Map (Community Panel #060309 0002-B, Revised November 5, 1997), the seaward edge of the site is located in Zone A10. This zone is defined as 100-year flood zone up to elevation 10 feet. A 100-year flood event could flood the garage floor due to its elevation of 10 feet. The remainder of the site is defined as minimal risk of flooding (Zone C). However, if scour occurs on the western part of the site, or if the area experiences greater than normal sea level rise, the eastern half of the property could be also



be included within a Zone A-10 flood zone and therefore subject to 100-year flooding. The flood risk identified on the Flood Insurance Rate Maps are based on current geologic conditions and do not provide an indication of flood potential if there is accelerated erosion or a rise in sea level.

1.2.4 Maximum Wave Run-Up

To assess wave run-up characteristics and estimate the maximum design elevation of wave run-up for the site, the Earth Systems Pacific 2005 report assumes the return period coincides primarily with an El Nino storm event and secondarily with tsunami. Wave run-up is a function of beach slope and elevation, as well as off-shore slope characteristics and structure type. The beach in this area follows the typical pattern of seasonal deposition and erosion observed all along the California coast. During spring and summer months, sand is deposited on the beach making it wider and higher in elevation. As a result, the widened beach creates a waters edge that is greater in distance from the back-beach improvements. The trend reverses in the winter. Larger, more frequent waves scour and erode the beach berm, moving the sand offshore and/or into the longshore sand supply system. As this happens, the waters edge moves closer to back-beach improvements.

Another input to the wave run-up analysis is the maximum wave height. Maximum wave height is estimated by examining the height of the run-up seawater flowing over the landward beach area, and is also based on the existing beach topography, the highest tide elevation, and a tidal surge produced by a storm or tsunami. The Earth Systems 2005 Report assumed a high tide elevation of 5.5 feet with a 5-foot tidal surge to arrive at an average still water depth of 10.5 feet. A wave period of 4 seconds was used. Based on the above geologic conditions, the result of the wave run-up analysis for a sloping beach condition was estimated to be 3 feet. This height, when combined with the estimated still water elevation of 10.5 feet, totals a wave elevation of 13.5 feet on the scoured beach surface. Based on this information, the Applicant's consulting geologist concluded that the development site has a high potential of being flooded up to an elevation of 13.5 feet (western half of the project site) from an El Nino event (every 7 to 10 years) or from a tsunami (once every 30 years).

As was discussed in the substantial issue findings above, at the time of the Commission's appeal, the City-approved project included a shoreline protective device (parking garage wall) to forestall erosion and wave run-up on the western end of the development site. The results of the wave run-up analysis with the proposed parking garage wall revealed a maximum wave run-up of approximately 7 feet. This height, combined with the assumed still water elevation of 10.5 feet at the wall, totals roughly 17.5 feet to the top of the wave at the vertical wall (parking garage) structure. The Earth Systems Pacific report noted that at 16.5 feet, the current design of the parking garage wall could be overtopped; however by extending the wall by another foot to 17.5 feet, the frequency of overtopping by storm driven waves or tsunami could be reduced. The City conditioned its approval to require the seawall be extended to 17.5 feet.

In response to questions raised regarding project consistency with the certified LCP shoreline protection standards and the adequacy of the wave run-up analysis provided in the Earth Systems 2005 report, two significant building revisions were proposed that affect the extent of wave run-up on the site. The



Applicant submitted a revised project sans the proposed seawall foundation structure and replaced it with a system of deep caisson/pilings foundation, and also proposed to increase the structural setbacks of the proposed building from the southwest (beach-front) property line. The Applicant's consulting geologist followed suit with a supplemental report (Earth Systems Pacific, June 8, 2006) to address the changes in the structural design. The report estimates that replacement of the seawall with an open unconfined parking garage, 4 feet of beach scour, and an additional 4-foot structural setback would result in a calculated wave run-up height of 12 feet. Aabsence of scour would decrease still water depth at the building and wave height. The report concludes that the garage floor has the potential for being flooded, but qualifies that the potential is low for a 30 year period and high for a 100 year period. The last time the site area was flooded was 24 years ago during the 1982-83 El Nino storms, which are considered by many to be the 100 year event.

The Applicant's consultants (Earth Systems Pacific, January 10, 2007; revised February 6, 2007) provided yet another revision to the wave run-up analysis, which Staff Engineer, Leslie Ewing found generally appropriate, if conservative (i.e., they assume a "worse-case" scenario). This most recent revision evaluated site conditions under two different storm and erosion conditions —conditions typical of the 1982-83 El Nino winter, and conditions associated with a highly eroded beach, 1-foot rise in sea level, and a winter storm that occurs coincident with a high tide.

The 1982-83 El Nino storm event is considered to be the strongest and most devastating of the 20th century. In order to accurately assess the potential hazard, the analysis provided by the Applicant's consultant assumes a worst case scenario for several parameters including: tidal elevation, stillwater elevation, breaking wave height, and beach scour depth. Data obtained from the 1982-83 El Nino storms were used to estimate such things as breaking wave height and beach scour. The results of the 1982-83 storm wave run-up analysis yields an elevation of 7.4 feet and indicates that wave run-up comes close to the historic 1982-83 storm wave run-up elevation, which almost reaches the break in slope erosion feature on the site. This is lower than the proposed garage level parking elevation of 10.75 feet and as such the main impact associated with this event would consist of wave run-up forces against the system of deep caissons/pile foundation.

At the basis of the second scenario are the short-term erosion rates articulated by the U.S. Geologic Survey (USGS Open File Report 2006-1219), which suggests that the sandy beach area along Pismo State Beach is eroding upwards of 3 meters per year. The revised Earth Systems report extrapolated this erosion rate over the required 100-year design life of the project and concluded that at the end of the design period, the shoreline would be approximately 300 meters (984 ft) landward of its present location. Thus, for purposes of the analysis, the assumption is that at the end of 100 years, the shore would be underneath and landward of the proposed hotel structure. With respect to sea level rise, the rate of sea level change was extrapolated from observations reported in a study of coastal vulnerability to sea level rise near Santa Barbara. The rate of sea level change was estimated to be approximately 3.22 mm/yr., based on 27 years of data. Using this rate over the 100 year design life of the project equates to a relative sea level change of 32 cm or about 1 foot. Given the above parameters, the results of the maximum wave run-up analysis for a 100 year eroded beach condition with sea level rise, yielded an elevation of 8.35 feet. The maximum breaking wave height was calculated to be approximately 12.2



feet. Based on the maximum wave height results, the maximum breaking wave would have the most significant impact on the proposed hotel garage floor and caisson foundation. The garage level of the proposed hotel is designed at an elevation of 10.75 feet and can be expected to be inundated or flooded during winter storm events coinciding with high tides.

This site presents some unique geologic and oceanographic conditions that complicate the degree of threat from shoreline hazards. The sandy beach materials are highly erodable, the soils beneath the surface are saturated, and there is considerable differences regarding the configuration of the shoreline (depositional vs. erosional state). However, no matter which scenario or particular set of circumstances one chooses to subscribe to, it is clear that the development site will be subject to wave run-up and flooding. Because of this, there is little margin for error in determining risk in a no revetment scenario. When all the factors are considered together, and evaluated in the context of an extreme storm event, the Applicant's consulting geologist and Staff's engineer have both concluded that the garage level of the proposed hotel will have some inundation and flooding, and accordingly, will require siting and design options to ensure it can be safe from storm, erosion and flooding hazards over its expected economic life. The Applicant's consultants have analyzed several different storm and erosion conditions in order to determine the appropriate design conditions for the hotel and foundation without needing to add shoreline protection now or in the future. Based on the results of their analyses, the foundation of the hotel will have to use deep caissons or pile supports and should be designed to withstand beach scour around their base to -8.4 feet NGVD. The design conditions should factor in wave forces against the caissons, as well as sand scour. While the garage floor could be built today at or below grade, if there is significant erosion of the beach, there may be several feet of clearance below the garage floor sometime in the future. The garage floor should therefore be designed to accommodate or be able to be modified in the future to remain stable with this clearance. The stabilization that might be incorporated into the foundation should not conflict with what would be required for flood protection and the prevention of flood water damming. Special Condition 1 requires the submittal of a foundation plan to insure appropriate minimum site stability standards as required by the Uniform Building Code for development within a flood plain. Design considerations for the engineered foundation shall include direct wave attack, shoreline erosion, wave scour, liquefaction, and tsunami over the life of the structure (100 years).

Staff's engineer also recommends that potential hazards from a tsunami be considered. Ms. Ewing indicates that most tsunamis that are likely to occur at this location will be comparable to the inundation levels that can be expected from the FEMA A-zone inundation. An extreme tsunami, with far less than a 1% annual probability of occurrence could be high enough to threaten the lobby level of the proposed hotel, and would likely coincide with a co-seismic event. Under such an occurrence, the proposed hotel structure would be threatened from both the earthquake and the subsequent tsunami. There are no probabilities associated with these extreme events. The design conditions for normal seismic loadings combined with the flood and erosion design conditions should insure that the building will remain stable during most tsunamis. The upper stories of the hotel would provide for safe vertical evacuation and protection of human life during these extreme events. Special Condition 8 requires the development of a tsunami preparedness plan to provide for safe, organized evacuation in the event of a tsunami.



Therefore, as conditioned to require a foundation plan and tsunami preparedness plan, the proposed hotel and subterranean garage will minimize shoreline hazards and risks to people and property consistent with the certified LCP.

1.2.5 Assumption of Risk

The experience of the Commission in evaluating the consistency of proposed developments with LCP policies regarding development in areas subject to problems associated with geologic instability, wave and/or erosion hazard, has been that development has continued to occur despite periodic episodes of heavy storm damage, landslides, or other such occurrences. Development in such dynamic environments is susceptible to damage due to such long-term and episodic processes. As a result, permits for development in such areas regularly conditioned in a manner that requires the permittee to acknowledge site geologic risks and agree to waive any claims of liability on the part of the Commission for allowing the development to proceed.

Although the Commission has sought to minimize the risks associated with the development proposed in this application, the risks cannot be eliminated entirely. Given that the Applicants have chosen to pursue the development despite these risks, the Applicants must assume these risks. Accordingly, this approval is conditioned for the Applicants to assume all risks for developing at this location (see Special Condition 7).

1.2.6 Hazards Conclusion

As discussed above, the project has been designed and conditioned to minimize (to the extent feasible) shoreline hazards and the risk imposed by them. Special Condition 1 requires the Applicants to submit Final Foundation Plans consistent with the design consideration identified in the revised February 6, 2007 Wave Run-up study prepared by Earth Systems Pacific. Special Condition 8 requires creation of a tsunami preparedness plan to address concerns regarding the threat of flooding and loss of human life during extreme tsunami events. Special Condition 7 requires the applicant to assume liability and risk for developing in a known shoreline hazards area. As conditioned to implement the proposed geologic hazard measures consistent with the Commission's understanding of them, the proposed project can be found consistent with the City's Hazard Protection Criteria and Standards (S-2, S-6, and 17.078.060(5)) as discussed in this finding.

B. Public Access and Recreation

1.1 LCP and Coastal Act Policies

Coastal Act Section 30604(c) requires that every coastal development permit issued for any development between the nearest public road and the sea "shall include a specific finding that the development is in conformity with the public access and public recreation policies of [Coastal Act] Chapter 3." The proposed project is located seaward of the first through public road (Cypress Street). Coastal Act Sections 30210 through 30213 and 30221 specifically protect public access and recreation.



In particular:

- **30210.** In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.
- **30211.** Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.
- **30213.** Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. ...
- **30221.** Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Coastal Act Section 30240(b) also protects parks and recreation areas, such as the adjacent beach area. Section 30240(b) states:

30240(b). Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

These overlapping policies clearly protect the beach (and access to and along it) and offshore waters for public access and recreation purposes, particularly free and low-cost access and recreational opportunities. In addition, the City's certified LCP requires:

LU-K-2 Downtown Development. Development shall comply with the following policies:

a. Oceanfront Boardwalk. A continuous pedestrian boardwalk along the planning area ocean frontage to Pismo Creek shall be established. This boardwalk shall include pedestrian amenities such as, but not limited to seating, lighting, and landscaping. Properties adjacent to the future boardwalk location shall be required to dedicate up to 20 feet of the ocean frontage of the property for the boardwalk. Installation of the boardwalk may be required as a condition of approval of development projects. The amount of dedication shall be subject to the size of the ocean-facing parcels and the area required minimizing bluff erosion identified in geologic studies submitted with development applications. The boardwalk will connect into the Pismo Creek trail at the end of Addie Street.

H-14 Older Motels and Cottages.

The City may encourage the retention of older motels and cottage courts. Where economically



feasible, these facilities may continue to provide moderately priced overnight accommodations to Pismo Beach visitors. Where these facilities have already converted to lower income rentals, the City may assist owners to preserve and improve the structures through available rehabilitation assistance programs. ...

1.2.1 Public Access Analysis

The proposed development site is located at 147 Stimson Avenue, approximately one block south of Pismo Pier, in the Downtown Core planning district of the City of Pismo Beach. The project site contains 150 feet of sandy beach frontage and is directly landward of the public pedestrian boardwalk. The raised wooden boardwalk is heavily used and provides an important link between the Pismo Pier promenade and the existing promenade south of Stimson Avenue with connections to Pismo Creek and beyond. The City of Pismo Beach is a very popular visitor-serving destination and attracts over 1 million visitors annually.

As approved by the City, the proposed development includes construction of a 67-room hotel with spa, meeting rooms, appurtenant facilities, and outdoor courtyard. The approved development further includes a requirement to provide access connectivity to the public pedestrian boardwalk and allow passive recreational use of the courtyard area. LCP requirements indicate that all properties adjacent to the oceanfront boardwalk must dedicate up to 20' of ocean frontage for the construction of the boardwalk. However, in this instance, the public boardwalk has already been constructed seaward of the development site. Accordingly, the City required the applicant to provide the access connection and allow public use of the courtyard.

Special conditions on the City's permit require the applicant to construct access to the pedestrian promenade but use of the courtyard appears to be more of an informal arrangement than compulsory requirement. Furthermore, the City-approved project did not address the potential impacts of the proposed three-story hotel structure on the access and recreational experience along the public boardwalk. The above ground portion of the proposed three-story hotel structure was designed with only a 9 foot setback from the southwest property line (16' from the public pedestrian boardwalk). The structure was designed to be generally 35 feet in height, with appurtenant features that extend to roughly 40 feet above grade and the public pedestrian boardwalk. The boardwalk is located less than 7 feet from the southwest property line and thus, the second and third floor walls would be setback only 22' and 26' respectively from the public pedestrian boardwalk.

The Applicant has since submitted a revised proposal that includes increased setbacks and greater articulation of the second and third floors. Please see Exhibit 5 for site plans and elevations. As revised, second and third story setbacks would be increase from 22' and 26' from the public access boardwalk to 34' and 50' respectively. First floor setbacks have increase 5 feet. In addition, the applicant proposes to construct access stairs from the courtyard to the pedestrian boardwalk, from the courtyard to the open space beach area seaward of the hotel, and a fully ADA accessible ramp from the courtyard to the pedestrian boardwalk.

Special Condition 5 of this permit ensures that the outdoor courtyard and seating areas, sandy beach



area, and all associated access connections to the pedestrian promenade shall be open and available for free general public 365 days a year for the life of the development, with limited exceptions for private events, as detailed by an Access Management Plan to be reviewed and approved by the Executive Director. It further prohibits future development from occurring in the areas available for public access and requires the applicant to prepare a legal description and graphic depiction of the public access area affected by this condition.

1.2.2 Lower Cost Visitor Serving and Recreational Facilities

Coastal Act section 30213 requires low cost visitor and recreational amenities to be protected and where feasible, provided. The City's LCP housing policy H-14 encourages the retention of these older motels and cottage courts, which may continue to provide moderately priced overnight accommodations to Pismo Beach visitors. The proposed hotel development project will result in the demolition of 13 small cottages that potentially could be used for low cost visitor serving accommodations. City analysis of the potential for visitor serving use of the cottages indicates that the "transient use" of the units had been abandoned. The cottages were originally designed for transient occupancy as part of the Wave Hotel constructed prior to 1924, but have since been transformed to residential rental units.

In response to the appeal contentions regarding this issue, the Applicant notes that the proposed development will result in the replacement of a private residential use with a coastal priority, visitor-serving use that will also include amenities to support public access and recreation. As mentioned above, the proposed hotel project is designed with a large outdoor courtyard and open space area that will be available for free public use. In addition, the proposed hotel includes construction of 8 small (345 square feet) units that, according to the applicant, will be rented at affordable rates. Another 4 units will be 400 square feet or less in size, and are also considered affordable by the applicant. Thus, according to the applicant, roughly one out of every six rooms will provide low-cost visitor serving accommodations.

Construction of the proposed hotel and the conversion of the use of the site from residential to visitor-serving will further Coastal Act and LCP goals of maximizing access and recreational opportunities. To ensure that the facility remains visitor serving, permit conditions prohibit private ownership of the hotel units, and limit lengths of stay for any individual, group, or family. Specifically, Special Condition 6 requires the proposed hotel rooms must remain available for public transient use in perpetuity, and places a 29 day limit on the length of stay (14 days between Memorial Day and Labor Day).

1.2.3 Construction Impacts

During construction, beach access and recreation would effectively be precluded on the beach seaward of the proposed hotel, between the pedestrian boardwalk and the development site. Construction activities will also intrude and negatively impact the aesthetics, ambiance, serenity, and safety of the beach and immediate offshore recreational experience (i.e., boardwalk and beach). The public would bear the burden of the negative construction impacts over several months including the typically busy summer vacation season. Although this impact could be minimized by appropriate construction controls



(such as limiting the times when work can take place, fencing the construction area, staging equipment and vehicles, storing equipment and materials on-site, and clearly delineating and avoiding to the maximum extent feasible public areas, etc., see required construction plan – Special Condition 2), it cannot be eliminated. The project construction will also negatively impact the beach recreational experience by introducing construction including large equipment, noise, etc., into what is a fairly tranquil natural area. This temporary impact, thus cannot be fully mitigated, however, the Applicants will be required to restore all beach areas including removing all rock and debris between the public pedestrian boardwalk and the development site following construction (see Special Conditions 4 and 5).

1.3 Public Access and Recreation Conclusion

The proposed project will provide visitor-serving and public access and recreation facilities consistent with the public access and recreation provisions of the LCP and the Coastal Act. Permit conditions refine and secure these public access and visitor-serving elements as necessary to ensure long-term compliance with these requirements. As so conditioned, the project can be found consistent with the certified LCP and Coastal Act access and recreation policies discussed in this finding.

C. Scenic Resources

The City's general development and special height limitation standards protect public views to and along the shoreline. More specifically, Implementation Plan Standards 17.081.030(3) and 17.102.010(9)(c) state, in relevant part:

- 17.081.030 Special Height Limits Ocean Fronting Parcels. Special height limitations for ocean fronting parcels in the following planning areas shall be described below:
 - (3) Commercial Core Planning Area: Beginning at the inland extent of the public boardwalk identified in the City's Local Coastal Program, one story facades no higher than twelve (12) feet in height above site grade (including roofs) shall be permitted immediately adjacent to the boardwalk. Additionally story facades beyond the first level shall maintain the following minimum setbacks from the inland extent of the public boardwalk:

First level...None Required Second level...7' – 10' minimum setback Third level...14' – 20' minimum setback Fourth level...21' – 30' minimum setback

17.102.010 Building Heights. 1. In the R-3, R-4 and R-R Zones no building or structure shall exceed thirty-five (35) feet in height above site grade...5. Exceeding Height Limits (R-4, R-R, C-1, C-2, C-M and G zones). Building Appurtenances and Architectural Extensions: Where cupolas, flag poles, elevators, and solar collectors not otherwise permitted by subsection 7 below, radio or other towers, water tanks, church steeples and similar structures and



mechanical appurtenances are associated with a permitted use in a district, height limits may be exceeded by fifteen percent (15%) upon securing a conditional use permit or development permit...

17.102.010(9) Special Height Limitations –Ocean Fronting Parcels. Special height limitations for ocean fronting parcels in the following planning areas shall be described below:

c. Commercial Core Planning Area: all structures on ocean fronting parcels shall be limited to 25 feet in height above site grade.

Partly because of its geographic setting between Point Buchon and the Point Sal and partly because of its relatively unspoiled central California beach-town setting, the project area is located in a significant public viewshed. The City's certified Land Use Plan (Table PR-4) designates the Stimson Avenue street-end as a public viewpoint of importance. The cul-de-sac provides visual ocean access and a connection to the now completed beach-front pedestrian boardwalk, which runs from Pismo Creek north to the Pier promenade, with a soon-to-be-constructed extension to Main Street. The downtown area in and around Pismo Pier is a highly valued visitor-serving destination.

As originally submitted, the proposed 67-room hotel included three above ground floors on two ocean-front parcels overlooking the pedestrian boardwalk and beach. The proposed hotel is designed in the shape of the number "7" and includes an expansive open courtyard accessible from the pedestrian boardwalk. In terms of the visual aesthetic, the design and orientation of the hotel allows roughly half of the 150 foot ocean frontage to remain unimproved, maximizing visual access into the property. The design also facilitates public pedestrian access onto the site and is much more inviting than the large, 3-story, monolithic hotel structures fronting the boardwalk to the south. Nonetheless, the proposed hotel is setback just 16 feet from the pedestrian boardwalk. This combined with designed height of 35 feet (and tower feature rising to 42 feet along the west [beach] elevation) and only modest step back articulation on the second and third floors, accentuate the scale and mass of the proposed structure and raised questions regarding consistency with the certified LCP.

The applicable LCP standards require that both the maximum height be limited to 25 feet *and* a series of step backs be incorporated to preserve scenic views and safeguard against excessive mass. The Commission appealed the project in part due to concerns raised regarding project conformance with the certified LCP standards for preserving views to and along the beach, as well as safeguarding against excessive mass and bulk throughout the R-4 zoned district.

In response to the Commission's concerns, the Applicant proposed to re-design the project by increasing the step backs and articulation of the structure. The redesigned hotel increases the ground floor setback from the pedestrian boardwalk an additional 5' for a total of 21 feet. Additionally, the second and third floor setbacks are likewise increased to 34 and 50 feet (from the pedestrian boardwalk) respectively. The re-siting and re-design breaks up the mass of the hotel and reduces shadowing of the pedestrian boardwalk, and will improve views of the coast from Stimson Avenue. Special Condition 1 requires the



submittal of Final Plans and elevations to ensure the proposed revisions are carried forward into the project.

Secondly, the Applicant proposed a lot line adjustment to create a new ocean front lot intended to eliminate project inconsistencies with LCP height limitations. The proposed lot line adjustment qualifies as development that requires a coastal development permit, and this development proposal has not been reviewed by the City for conformance with its certified LCP as required by the Coastal Act. Accordingly, the proposed project revision cannot be accepted for consideration at this time. To bring this project into conformance with the height limits of the certified LCP, Special Condition 1 requires the submittal of final project plans that limit development on the ocean fronting parcels to a maximum height of 25 feet above existing natural grade.

As conditioned, the project is consistent with the visual resource standards (17.081.030, 17.102.010(1), and 17.102.010(9)(c)) of the City's certified LCP.

D. Housing

LCP Housing Policy H-13 requires a one-to-one replacement of units that have been rented at rates affordable to low and moderate-income households. Policy H-14 encourages the preservation of older motels and cottages in order to preserve low-cost visitor serving accommodations. Specifically, LCP Policies H-13 and H-14 state, in relevant part:

H-13 Demolition and Conversion of Rental Housing in Coastal Zone

The City may issue permits for the demolition or conversion of existing residential housing occupied by low to moderate income persons in the coastal zone when the applicant has met the following conditions:

- 1. Rental units for demolition that have been rented at rates affordable to low and moderate income households at any time one year prior to the application for demolition must be replaced within the city on a one for one basis and rented at affordable prices.
- 2. Replacement shall occur on the site of the converted or demolished structure or elsewhere within the coastal zone if feasible. If replacement on the site is not feasible, units shall be located within three miles of the coastal zone.
- 3. The replacement units shall be provided and available for use within three years from the date upon which work commenced on the conversion or demolition of the residential dwelling unit. Immediate construction of the replacement units is preferable; if this is not feasible, the units can be secured by bond until replacement opportunities become available.
- 4. The following are exceptions to the replacement rule, unless the City determines that replacement of all or any portion of the converted or demolished dwelling units is feasible:
 - a. The conversion or demolition of a residential structure contains less than three dwelling units, or, in the event that a proposed conversion or demolition involves more than one residential structure, the conversion of 10 or fewer dwelling units.



- b. The conversion or demolition of a residential structure for purposes of a non-residential use which is either "coastal dependent" or "coastal related."
- 5. This rule shall not apply to the demolition of any residential structure which has been declared to be a public nuisance pursuant to the Uniform Dwelling Code.

...

H-14 Older Motels and Cottages.

The City may encourage the retention of older motels and cottage courts. Where economically feasible, these facilities may continue to provide moderately priced overnight accommodations to Pismo Beach visitors. Where these facilities have already converted to lower income rentals, the City may assist owners to preserve and improve the structures through available rehabilitation assistance programs. The housing assistance fund referenced in Policy H-20 may be used to implement this policy as well as state or federal program funds (see Land Use Element LU-4 Resort Commercial Land Uses).

H-20 Housing Assistance Fund.

The city shall investigate all possible sources of funds to develop a housing assistance fund. Such sources may include developer in-lieu fees, redevelopment housing set-aside funds, condo conversion fees, state and federal grants, sale of surplus City-owned property, real estate transfer taxes, mortgage recordation fees. These funds may be used for rental assistance, equity sharing, possible payment of fee waivers, or other uses supportable of affordable housing.

The proposed project will result in the demolition of 13 small dwelling units that currently provide affordable housing. The cottages are remnants from the c.1920's Wave Hotel and more recently, the Clam Digger motel, and are in a sub-standard condition. The dwelling units are roughly 375 square feet in size and the frame construction is of the type that was typically used only for temporary structures and outbuildings at the time of construction. The cottages have seen numerous structural alterations over the years to provide the units with amenities such as hot water, insulation, additions to increase living space and storage, and heating. A supplemental Historic Report (Canon Associates, May 24, 2005) prepared for the project indicates that there is no roof framing or concrete foundations, suggesting that the units may have originally been constructed as wooden tent cabins. The Report concludes that preservation of the units would involve significant reconstruction, including the building of foundations and construction of roof framing, ceiling joists, and new roofs.

In terms of the potential to provide affordable housing, the City determined that eleven of the thirteen units were occupied by month-to-month renters. One unit is permanently vacant and the other is occupied by the property owner. Seven of the tenants have low or moderate incomes, based on county affordability limits, and their monthly rental rate qualifies as "affordable" to lower income residents. The remaining units are affordable to moderate-income tenants.



LCP housing policy H-13 requires one-to-one replacement of affordable units with other affordable units on the site or elsewhere within the City and coastal zone. If that is not feasible, the units must be replaced within 3 miles of the coastal zone within 3 years with notification to tenants of the intent to demolish at least six months prior to the demolition. Replacement assistance must be provided including assistance in finding housing and reasonable moving expenses. The City confirmed the Applicant's noticing requirement of the pending demolition was met within the minimum six-month time frame. Additionally, the City required the Applicant to develop a relocation assistance plan that includes reasonable moving expenses and assistance in finding new housing for all moderate-income and below tenants. However, the City found that the proposed demolition qualified for an exception to the replacement requirement, as the demolition involved fewer than 10 units.

In order to carry out LCP Housing Policy H-14, which provides direction on affordable housing resources associated with the conversion of motels and cottages, the City exercised the provisions of Housing Policy H-20 and recommended the Applicant submit a housing in-lieu fee in place of the unit replacement program. Housing policies H-14 and H-20 provide for an in-lieu fee payment into the City's housing assistance fund that can be used for rental assistance, payment of fee waivers, or other uses that support affordable housing. The in-lieu fee approach is encouraged for small, older motels and cottages that have previously been converted to residential uses and are in generally poor condition. And, the City's approval does not appear to contain a compulsory requirement for the in-lieu fee payment. Additionally, the LCP does not provide in-lieu fee methods or procedures, specifically as it relates to establishing the amount and method of payment. The City's housing ordinance (not certified) establishes the in-lieu fee amount at 2% of the building permit valuation. Based on the existing project parameters, the City estimates the in-lieu fee amount to be approximately \$100,000. This amount is far less than the actual amount that would be required to replace the lost affordable units. Based on a lowend construction rate of \$150 per square foot, replacement of the same 7 affordable units would cost approximately \$393,750, not including the cost of the land. That figure would more than double if all thirteen units were considered.

As noted above, the City identified the number of affordable units (i.e., 7) based on the income levels of the persons renting the cottages. The remaining six cottages were not considered affordable because they were either unoccupied or occupied by persons with higher income levels or the property owner. However, based solely on their size, condition, and location, all thirteen of the existing cottages represent the best opportunity for low-cost / affordable housing along the City's shoreline, irregardless of the incomes of the renters. In deed, the fact that seven of the units are currently rented by persons of low income means, is evidence that *all* the units could similarly be considered affordable. The City noted in its staff report findings that while not all the units are occupied by residents of low to moderate income, the rents for all the units meet the affordability requirements. The fact is, when the dwelling units are demolished, the City will have thirteen fewer affordable housing units. As such the City's housing in-lieu fee approach is inadequate. LCP housing policies only allow payment of an in-lieu fee if the demolition involves 10 or fewer dwelling units or the demolition is necessary to support a coastal dependent or coastal related use. The proposed hotel is neither coastal dependent or coastal related, and the project involves demolition of greater than 10 affordable housing units. The City's approval should have required the Applicant to provide one-for-one replacement of the units elsewhere in the City,



consistent with LCP housing policy H-13. Said policy further requires the replacement units to be provided for use within 3 years from the date which work commenced to demolish the dwelling units.

Accordingly, the Commission recommends Special Condition 10 requiring one-for-one replacement of 13 affordable housing units within the incorporated limits of the City of Pismo Beach. The replacement units shall also be completed and available for use within 3-years from the date work commences on the demolition of the cottages. As conditioned, the project is consistent with the certified LCP housing policies (H-13, H-14, and H-20).

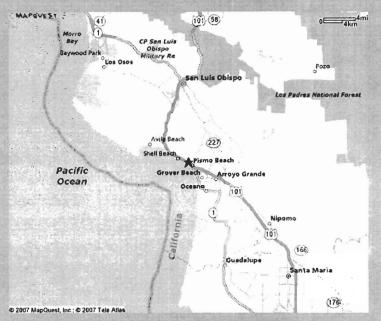
F. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment. The City of Pismo Beach conducted environmental review for the proposed project per the requirements of CEQA and issued a Negative Declaration with Mitigations.

The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This staff report has analyzed the environmental impacts posed by the project and identified changes to the project that are necessary to reduce such impact to an insignificant level. Project changes required by special conditions implement alternatives that lesson the project impacts on the environment and address cumulative impacts associated with beachfront development. Based on these findings, which are incorporated by reference as if set forth herein in full, the Commission finds that only as modified and conditioned by this permit will the proposed project avoid significant adverse effects on the environment within the meaning of CEQA.

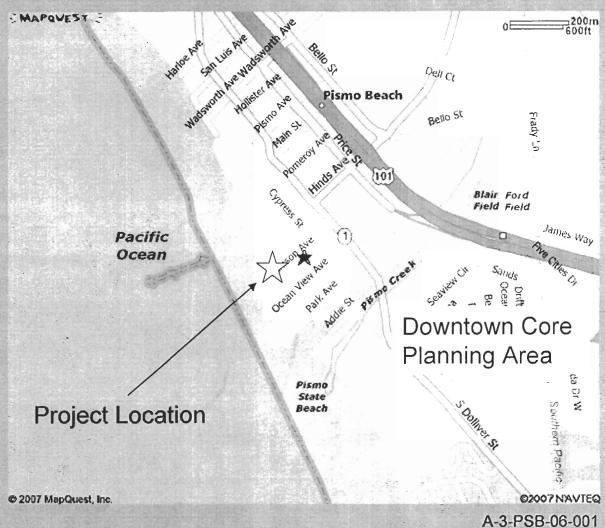


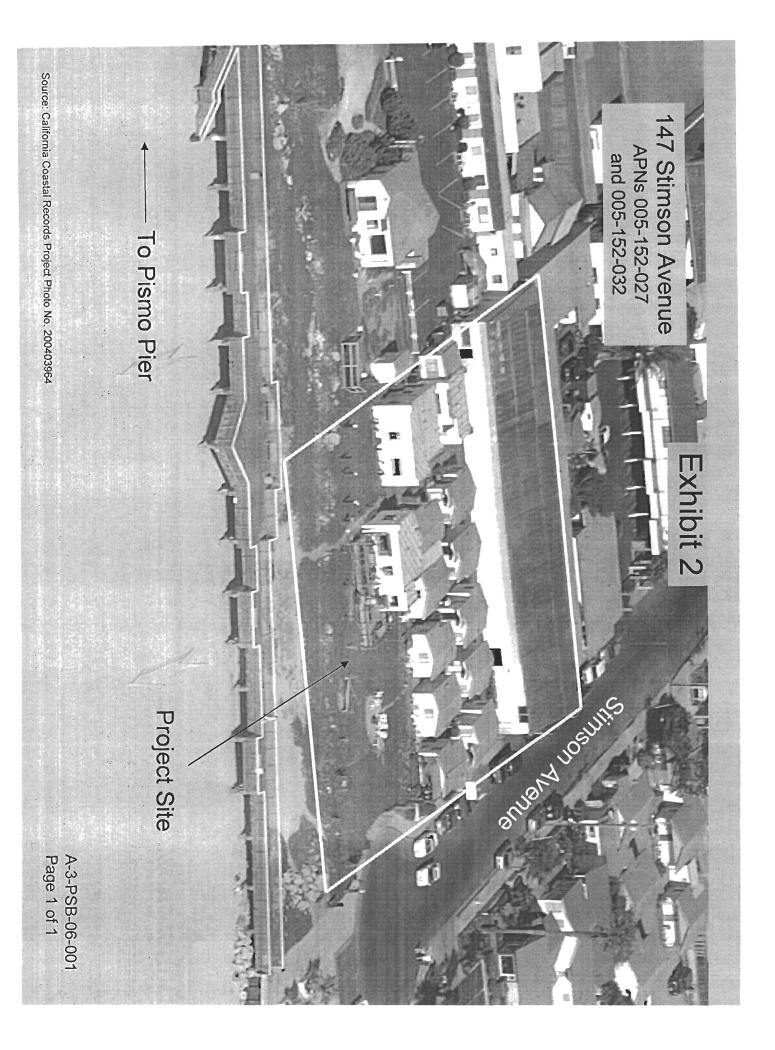
Exhibit 1



Pismo Beach Vicinity Map

Page 1 of 1





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DEC 1 6 2005

RESOLUTION NO. 02-0138

A RESOLUTION OF THE PLANNING COMMISSION OF THE OF SOME COMMISSION PISMO BEACH ADOPTING THE MITIGATED NEGATIVE ENTRAL COAST AREA DECLARATION, PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES SECTION 15074, A CONDITIONAL USE PERMIT, COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW, VARIANCE FOR PROJECT NO. 02-0138, APN: 005-152-027

WHEREAS, HMW Group, (The "Applicant") has submitted applications to the City of Pismo Beach for approvals of a Conditional Use Permit, Coastal Development Permit, Architectural Review and Vesting Tentative Map for demolition of a 13 unit residential hotel and construction of a new 77,585 s.f. 67 room hotel with underground parking at 147 Stimson Street and:

WHEREAS, the Planning Commission held a duly noticed public hearing on October 25, 2005 at which all interested persons were given the opportunity to be heard; and

WHEREAS, the determination is made that under the provisions of the California Environmental Quality Act (CEQA), this project qualifies for issuance and adoption of a Mitigated Negative Declaration; and,

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Pismo Beach, California as follows:

A. FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

- 1. The project consists of construction of a new hotel development, located within the urban areas of the City, and on a site zoned for commercial development.
- 2. There are no site constraints or other factors that have otherwise not been addressed within the Initial Study/Mitigated Negative Declaration (attached hereto as exhibit A), therefore, the potential for any significant environmental impact has been mitigated to be less than significant.
- That the Mitigation and Monitoring program attached to the Mitigated Negative Declaration, has been reviewed and determined to be adequate in mitigating or avoiding potentially significant environmental effects.
- 4. The public hearing and issuance of the Mitigated Negative Declaration for this project has been adequately noticed and advertised, to the provisions of Sections 15072, 15073, and 15074 of the CEQA guidelines and California Government Code Sections 65090, 65091, and 65095.

CCC Exhibit _5 (page __l_of __i9 pages) A-3-PSB-06-001

- 13. The 77,585 s.f. 67-unit hotel with related improvements will provide adequate parking for the hotel with the use of tandem parking consistent with Zoning Code criteria 17.108.0206B.
- 14. Zoning Code section 17.102.010 (9c) specifies that "All structures on ocean fronting parcels shall be limited to 25 feet above site grade." The intent of this requirement was to limit tall excessive massing directly adjacent to the promenade. The ocean front elevation of the hotel notes a 35' height limit with extensive articulation to alleviate the appearance of a solid block wall along the ocean front. This articulation includes on the 65' frontage (of the entire 152' ocean frontage) where hotel rooms are proposed adjacent to the boardwalk, the proposed structure has a 12' façade that recesses approximately 9' into the building. A second level façade is 25' and the building height is limited to 35'. The distance of each level of the building further facilitates building articulation, with a building step back of 9' to the first level, 15' to the second level and 19' to the first level from the property line. The design of this project where the majority of the project ocean frontage is left open to a courtyard complies with the spirit of this requirement.
- 15. The parking demands for the hotel and meeting room together vary in times; the proposed reduced 81 parking spaces, equating to an approximately 5% reduction in parking will adequately accommodate both the hotel and meeting room uses.
- 16. The development of the project as an ocean front hotel is a coastal dependent facility and exempt from the housing replacement policy requirements of GP/LCP policy H-13.

C. VARIANCE FINDINGS

1. The subject property is adjacent to the balance of the Clamdigger site to the northwest. The adjacent site is zoned Commercial-Retail (C-1) and has no setback requirements. If and when the adjacent site is developed, a 5' side yard setback on the subject property would create an alleyway with no purpose or function. The setback and dedication requirements for the ocean front of the property requires the applicant to move the project back as far as possible to maintain a functional ocean frontage consistent with the zoning code requirements.

This is a special circumstance relating to the location and surroundings of the subject site. Because of the location and surroundings of the site, the strict application of the zoning ordinance would limit the project's ability provide adequate open space consistent with the pedestrian ambiance and scale specified in the City's General Plan/Local Coastal Plan. A requirement for strict adherence to zoning code side and rear setback requirements would deprive development potential afforded to other lots in the vicinity.

2. Granting the variance will not constitute a grant of special privilege inconsistent with limitations upon other property owners in the vicinity of the subject site. The project will have the same conditions and is subject to the same requirements as others properties in the area.

(page 2 of 19 pages) A-3-PSB-06-001

B. FINDINGS FOR APPROVAL OF THE CONDITIONAL USE PERMIT, COASTAL DEVELOPMENT PERMIT AND ARCHITECTURAL REVIEW:

- The project improvements conform to the public access and public recreation policies of Chapter 3 (commencing with Section 30220) of the California Coastal Act of 1976.
- 2. The new 77,585 s.f. hotel is appropriate in size so as to be compatible with the adjacent structures.
- 3. The architectural and general appearance of the development is in keeping with the character of the downtown area. The proposed 77,585 s.f. 67-unit hotel is compatible with the visual quality and character of the downtown and Pismo Beach Ocean fronting area.
- 4. The proposed 77,585 s.f. 67-unit hotel with related improvements is consistent with the General Plan land use designation of Commercial.
- 5. The proposed 77,585 s.f. 67-unit hotel with related improvements is compatible with the nearby existing uses and not detrimental to the health, safety, morals, comfort and general welfare of persons residing or working in the surrounding area of the proposed project.
- 6. The site is physically suitable for construction of project improvements to provide support for a new 77,585 s.f. 67-unit hotel with related.
- 7. The proposed 77,585 s.f. 67-unit hotel with related improvements is in keeping with the character of the surrounding commercial core area of the Downtown and is consistent with the zoning of the project site.
- 8. The proposed 77,585 s.f. 67-unit hotel with related improvements will not impair the desirability of investment or occupation in the downtown area.
- The design of the 77,585 s.f. 67-unit hotel with related improvements will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
- 10. The 77,585 s.f. 67-unit hotel with related improvements will not cause serious public health problems.
- 11. The proposed 77,585 s.f. 67-unit hotel with related improvements is not detrimental to the health, safety, and general welfare of persons living or working in the surrounding area of the proposed project.
- 12. The 77,585 s.f. 67-unit hotel with related improvements will not be detrimental to the orderly development of improvements in the surrounding area, and will not be detrimental to the orderly and harmonious development of the city.

(page 3 of 19 pages) A-3-PSB-06-001 3. The variance does not authorize a use or activity that is not otherwise permitted by the zone, the project is a hotel consistent with the requirements of the Zoning Code for development in an R-4 zoning district.

The Planning Commission does hereby approve the Mitigated Negative Declaration, (attached hereto as attachment A) and Conditional Use Permit, Coastal Development Permit and Architectural Review and Variance subject to the Conditions attached as attachment B.

UPON MOTION of Commissioner Ehring seconded by Commissioner Vardas, the foregoing Resolution is hereby approved and adopted the 25th day of October, 2005, by the following role call vote, to wit:

AYES:

Commissioners Ehring, Vardas, Sorgenfrei, Burns and Anderson

NOES: ABSTAIN:

None None

ABSENT:

None

Chairman Sorgenfrei

Deputy City ⊈erk, **≱l**sa Perez

CONDITIONS AND MITIGATION MEASURES PLANNING COMMISSION MEETING OF OCTOBER 25, 2005 PERMIT NO. 02-0138: CDP / CUP/ ARP / VARIANCE 147 Stimson, APN: 05-152-027 and 05-152-032

CONDITIONS AND MITIGATION MEASURES FOR THE COASTAL DEVELOPMENT PERMIT, ARCHITECTURAL REVIEW PERMIT, CONDITIONAL USE PERMIT, AND VARIANCE

A. MITIGATION MEASURES

Number	Measure		
1	Air Quality Measures:		
	a.		
	c. This project may be subject to various regulations, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M – asbestos NESHAP). The applicant must contact Tim Fuhs of the Air Pollution Control District Enforcement Division at 781-5912 to determine if additional permits must be obtained or regulations met.		
	d. Prior to any grading activities at the site, the project proponent shall ensure that a geologic evaluation is conducted to determine if Naturally- Occurring Asbestos (NOA) is present within the area to be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found, the applicant must comply with all requirements outlined in the Asbestos ATCM.		
2	Monitoring: Building plans shall be reviewed for compliance. Measure: Cultural resources measures:		
	d. A historical archaeologist or other qualified professional shall be on site during demolition of the residential units. This professional shall make note of the materials used in the construction of the buildings and of the nature of the foundation or lack of it, and any other construction elements not identified in the supplemental study. The professional shall later compile this information in a report to the Community Development Department.		
	 e. Copies of the supplemental study (source 19) shall be kept in the archaeological files maintained by the Community Development Department, and made available to qualified historians when requested. 		
	f. Archaeological monitoring shall be performed by a qualified archaeologist or person trained by a qualified archaeologist. Following demolition, an extended phase I archaeological investigation shall be performed. Such study should take the form of limited subsurface testing using shovel test probes. The archaeologists conducting these separate states.		

(page 5 of 19 pages)

	recommendations on any further study needed. The Community Development Director shall make the final determination of further action required, consistent with State law.
	Monitoring: Contracts with qualified archaeologists will be required to be submitted during the building plan check process.
3	Measure: The recommendations in the geotechnical investigation shall be followed in the development of structural designs for the project.
	Monitoring: Building plans will be reviewed for compliance.
	Measure: The subterranean garage wall shall be raised to a height of 17.5 feet, or modifications shall be made as recommended by the consulting geological engineers at the time that working drawings are developed, to reduce the frequency of overtopping by waves during an El Niño or tsunami event.
	Monitoring: Structural plans shall be signed by the geological consultants or other proof shall be submitted to Planning and Building Divisions to show that the recommendations of the geological wave-up study have been followed.
	Measure: The parking garage may not encroach into the City's right-of-way. The following (and other possible) solutions must be considered in the review of this development:
11	 The additional area needed for street improvements may be granted as an easement rather than a street dedication, making it the responsibility of the land owner rather than the City.
	Monitoring: The planner developing the staff report will discuss this issue and possible solutions. The Planning Commission will be asked to choose an appropriate solution, if one has not already been determined (such as the elimination of the dedication requirement).
4	Measure: The applicant shall submit, prior to issuance of a demolition permit for the housing on site:
	 A plan, acceptable to the Community Development Director, for providing relocation assistance to moderate-income- and below tenants. Plan shall include reasonable moving expenses and assistance in finding new homes, as described in Housing Element policy H-13. Monitoring:
	The project planner will insert these requirements into the recommended conditions. The planner will then check for these items during plan check.

B. CONDITIONS TO BE MET PRIOR TO ISSUANCE OF THE BUILDING PERMIT:

PLANNING CONDITIONS

1. COMPLIANCE WITH PLANNING COMMISSION APPROVAL. Prior to the issuance of a building permit, the Project Planner shall confirm that the

CCC Exhibit 3 (page 6 of 19 pages) A-3-PSB-06-001 construction plot plan and building elevations are in compliance with the Planning Commission's approval and conditions of approval.

2. Project shall comply with all of the following:

Item	Project Permitted/Required
Max bldg height Exceeding height limits	35 feet above existing natural grade at any point. Height limits shall not be exceeded by more than 5.25' for architectural features
Height limitation overlay zone: Special Height limits – ocean fronting parcels in the Commercial core planning area	On the 65' frontage (of the entire 152' ocean frontage) where hotel rooms are proposed adjacent to the boardwalk, the structure will include a 12' façade that recesses approximately 9' into the building. A second level façade is 25' and the building height is limited to 35'. 1st level: 9' 2nd level: 15' 3rd level: approximately 19' modifications may be approved by the Community Development Director, but shall not exceed a one story facades no higher than twelve (12) feet in height above site grade (including roofs) shall be permitted immediately adjacent to the boardwalk. Additional story facades beyond the first level shall maintain the following minimum setbacks from the inland extent of the public boardwalk: 1st level – none required 2nd level 7 – 10' minimum setback 3rd level – 14' – 20' minimum setback
Max lot coverage	14,685 s.f or 32% lot coverage, Modifications to increase lot coverage up to 55% may be permitted by the Community Development Director with the redesign of the project plaza area. (45,465 s.f. lot x 55% = 25,005 s.f.)
Building floor area	45,685 s.f. (excludes lower level parking area, more than 50% of that area is below site grade and does not count as a part of the total building area.) Modifications to increase total building floor area up to 125% (to 56,831 s.f.) may be permitted by the Community Development Director with modification of the plaza area and portico to accommodate fire department access.

Item	Project Permitted/Required
Minimum planting area	20% of lot area or 9,093 s.f. is required, with a redesign of the courtyard area and planting material subject to the CD Director's approval prior to issuance of a building permit.
Minimum front yard setback	15' – the ocean front section of the site is considered as the front yard
Minimum interior side and rear yard setbacks	A zero setback is permitted.
Minimum street side yard setback	10'
Parking	81 spaces shall be provided

3. PROMENADE ACCESS - Applicant shall construct access to the Promenade as shown on the approved project plans and provide an interpretive panel or art feature identifying a beach plant or animal life along the promenade adjacent to the hotel, subject to review and approval by the Parks, Recreation and Beautification Commission prior to issuance of a building permit.

4. LANDSCAPE AND COURTYARD PLANS:

- a) Landscape plans, including hardscape, irrigation and planting material and related courtyard structures shall be reviewed and approved by the Community Development Director prior to issuance of a building permit or recordation of final map.
- b) The Courtyard area shall include public art and be reviewed through the City's public art process.
- c) The courtyard and entry to the courtyard from the Promenade will be open to the general public. (added by the Planning Commission, 10/25/05)
- 4. SIGN PROGRAM: A uniform sign program to be submitted to the Community Development Department Planning Division for review and approval prior to issuance of a building permit on the project.
- 5. STIMSON STREETSCAPE IMPROVEMENTS: Streetscape improvements along Stimson shall comply with the City's downtown streetscape design, which includes new sidewalks, curb and gutter, street lights and palm trees. Patterns and specifications for said improvements will be provided by the City of Pismo Beach.
- 6. BICYCLE PARKING: On-site bicycle parking shall be provided at a rate of one bicycle space per every ten car parking spaces.
- EMPLOYEE BREAK ROOM: An employee break room shall be provided that includes space to sit and eat and that includes a refrigerator, microwave oven, and sink.

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- 8. EMPLOYEE PARKING SPACE: At least one preferential carpool parking space shall be provided for employees.
- 9. EMPLOYEE FACILITIES: Minimum of one shower and three lockers shall be provided for the use of employees or bike or walk to work. Such use will be at no cost to the employee.
- 10. APCD TRANSPORTATION CHOICES PROGRAM: The hotel management shall join the APCD's Transportation Choices Program to keep employees informed about up-to-date available transportation choices and to have public transportation information available for guests.

Building conditions

- 11. The title sheet of the plans shall include:
 - a. Street address, lot, block, track and Assessor Parcel number.
 - b. Description of use
 - c. Type of construction
 - d. Height of the building
 - e. Floor area of building (s)
- 12. The Title sheet of the plans shall indicate that All construction shall conform to the 2001 California Building Code (1997 UBC and California amendments), 2001 California Mechanical Code (2000 IAPMO, UMC and California amendments), 2001 Plumbing Code (2000 IAPMO UPC and California amendments), 2001 California Electrical Code (1999 NEC and California amendments), and Accessibility Standards where applicable and all City codes as they apply to this project.
- 13. Code adoption dates are subject to change. The code adoption year is established by application date of plans submitted to Building Division for plan review.
- 14. Plans shall be submitted by a California licensed architect and/or engineer.
- 15. A separate grading plans complying with Appendix Chapter 33, UBC, and Title 15 PMBC, shall be required.
- 16. A soils investigation shall be required for this project.
- 17. The location of the building should be identified on an established flood hazard map (most recent flood insurance rate map published by FEMA may be considered).
- 18. Certification that the actual elevation of structures in relation to mean high sea level by a licensed surveyor/engineer.
- 19. Well-established engineering principles should consider the effect of hydrostatic and hydrodynamic forces.
- 20. Erosion control of the site shall be clearly identified and mitig GGC Exhibit 3

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- 21. Spaces below the base flood elevation in a coastal high zone shall be free of obstruction.
- 22. A sound transmission study may be required for multi-family buildings. Mitigating factors shall be indicated on the plans.
- 23. Fire sprinklers are required per City codes.
- 24. Projects shall comply with current City and State water conservation regulations.
- 25. Dust and erosion control shall be in conformance with standards and regulation of the City of Pismo Beach.
- 26. Any demolition shall comply with A.P.C.D. regulations, and A.P.C.D.permits, if required for the demolition, shall be obtained prior to the issuance of Pismo Beach City Building Division Demolition permits.
- 27. The permittee shall put into effect and maintain all precautionary measures necessary to protect adjacent water courses and public or private property form damage by erosion, flooding, deposition of mud or debris originating from the site.
- 28. A licensed surveyor/engineer shall verify pad elevations, setbacks, and roof elevations.
- 29. Clearly dimension building setbacks and property lines, streets centerlines, and between buildings or other structures on plot plan.
- 30. All cut and fill slopes shall be provided with subsurface drainage as necessary for stability; details shall be provided.
- 31. Certification of compliance with the grading plans and soils report shall be submitted to the Building Division prior to final approvals.
- 32. Title 24, Energy Conservation Documentation shall be prepared and submitted with the Building application.
- 33. The accessible parking appears not to meet accessible parking standards for the required number of spaces and location. The parking layout will require approval prior to issuance of a building permit.
- 34. Accessible parking spaces shall be located such that they do not compel users to travel behind parked cars other than their own. CBC 1129B.4.3
- 35. Four Accessible parking spaces are required per CBC 1129.B.1
- 36. Reduce the amount of disturbed area where possible;
- 37. Use water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency is required whenever

(page 10 of 19 pages) A-3-PSB-06-001 wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible.

- 38. All dirt stockpile areas must be sprayed daily as needed.
- 39. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible, and building pads should be laid as soon as possible after grading unless seeding or soil binders are used.
- 40. Wall and attic insulation shall exceed Title 24 requirements.
- 41. South-facing windows shall be shaded or otherwise designed to reduce the heat load from the sun and thereby reduce air conditioning requirements.
- 42. A portion of the hot water requirements for the hotel shall be met by use of solar heating.
- 43. Windows shall be double-paned or the equivalent in energy saving.
- 44. Where possible, appliances shall be built-in and energy-efficient.

Engineering conditions General Improvement Requirements

- 45. Identify the scale on project layout drawings and present proposed layouts to scale. All Project improvements shall be designed and constructed in accordance with City standards and specifications and in accordance with all applicable City Ordinances. Where no City Standard or Specification exists, the Standards and Specifications of the County of San Luis Obispo shall govern. The decision of the City Engineer shall be final regarding the specific standards that shall apply.
- 46. Public improvement plans including the following shall be prepared by a registered Civil Engineer and approved by the Public Services Department, Engineering Division:
- Grading, drainage and erosion control.
- Street paving, curb, gutter and sidewalk as determined necessary by the City Engineer.
- Public utilities.
- Water and sewer.
- 47. If deemed necessary by the City Engineer, plans within the right-of-way shall include profile drawings. Improvement plans shall accurately identify the size and location of all existing public and private utilities within 10' of the property, and in all public right-of ways fronting the property. Show all proposed private utilities and Tie-in locations.

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- 48. Upon approval of the improvement plans, the applicant shall provide a reproducible mylar set and 3 sets of prints of the improvements for inspection purposes. Prior to acceptance of the improvements, the applicant shall provide reproducible mylars, and 2 sets of prints of the approved record drawings (as builts).
- 49. The applicant will be responsible for obtaining an encroachment permit for all work within a public right of way (City or Caltrans).
- 50. The City Engineering Division shall approve any landscaping or irrigation within a public right of way or otherwise to be maintained by the City.

Street Improvements

- 51. Street improvements shall be designed and constructed to the following street standards:
- 52. 18-foot half-street width on Stimson from centerline to curb, 5 foot wide integral sidewalks, curb and gutter on project side of the street.
- 53. The City General Plan Section LU-K-2 requires the construction of a cul-de-sac at the end of Stimson on the project side that meets public safety standards. The City standard cul-de-sac requires an outside radius of 40 feet to the curb and a 50 feet radius to the property line, which the existing cul-de-sac does not conform to. However, an alternative turnaround that incorporates portions of the proposed entrance may be approved if it meets the City Fire Department's dimensional requirements for a turnaround.
- 54. All site and floor plans must show the new right-of-way widths and street improvements. The proposed upper levels may not overhang above the street and sidewalk improvements.
- 55. The proposed lower parking area may encroach into the public right of way with the approval of an Encroachment Agreement by the Pismo Beach City Council, at their discretion.
- 56. Proposed upper levels may not overhang above the street and sidewalk improvements.
- 57. The proposed lower parking area may encroach into the public right of way with the approval of an Encroachment Agreement by the Pismo Beach City Council, at their discretion.
- 58. Street structural sections shall be determined by an R-Value soil test. The Traffic Index for each street shall be as follows:
 - a. T.I.= 5.5 for Local Streets (Stimson)
 - b. T.I.= 7.0 for Collector Streets.
 - c. T.I.= 8.0 for Arterial Streets.

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Utilities

- 59. The applicant is responsible for securing Public Utility signatures for proposed utility relocations. Utility comments shall be forwarded to the City Engineer for approval.
- 60. All existing above ground utilities located on the property and property frontages shall be relocated underground.
- 61. The existing 10" water stub at the end of Stimson Avenue shall be abandoned to the tee and the existing fire hydrant relocated to accommodate the new cul-de-sac design.
- 62. The existing fire hydrant at the corner of Stimson and Cypress shall be modified to add a control gate valve.

Dedications and Easements

- 63. The owner shall offer for dedication to the public the following easements:
- 64 Half-street right of way, 28 feet wide, a 3-foot public right of way dedication along Stimson is required

Grading and Drainage

- 65. All grading and drainage improvements shall be designed and constructed in accordance with the City Grading Ordinance.
- 66. A preliminary grading soils and geology report for the project shall be prepared by a registered professional and supported by adequate test borings. The report shall address the need for slope protection measures and shall identify requirements for grading and structural footings. All earthwork design and grading shall be performed in accordance with the approved soils report.
- 67. A Grading and Drainage plan shall be submitted in accordance with the City Grading Ordinance.
- 68. Plans shall include Engineering Division standard notes.
- 69. An Erosion and Drainage Control Plan shall be submitted in accordance with the City Grading Ordinance. The plan shall reflect "Best Management Practices" as proposed in the California Regional Water Quality Control Board Erosion and Sediment Control Field Manual, and shall include both temporary measures (to be used during construction, and until permanent measures are completed/established) and permanent measures. No Building Permits will be issued during the period from October 15 to April 15 without prior approval of properties and page 13 of 19 pag

schedule. Erosion control measures shall be in place and approved by the Engineering Division prior to the start of construction.

Fees and Bonds

- 70. The Applicant shall pay the following fees and post the following bonds as applicable at the time of construction prior to submitting the plans for approval: City Standard Fees and Bonds
- Erosion Control Bond
- 71. The applicant shall provide a current title report.

Fire Department

- 72. Address Numbers Plans for address numbers on every structure shall meet the following requirements:
- Numbers must be plainly visible and clearly legible from the frontage street
- All multi-unit residential numbers to be five (5) inches in height
- · Numbers shall contrast with their background
- 73. Access Roadways (For Fire Apparatus) access roads shall have all-weather driving surface capable of supporting fire apparatus weighing 40,000 lbs.
- The portico driveway must be able to accommodate a fire engine with a width no less than 20 feet, no overhead obstructions below 13' 6" and adequate turning radius. "loading Zone Only, No Parking" signs will be required.
- Fire lanes shall be a minimum of 24 feet wide.
- Access roads and fire lanes must have 13'6" overhead clearance.
- All-weather surface shall consist of an asphalt road.
- No combustible construction will occur prior to all-weather access being provided, and combustible construction may be stopped anytime these conditions are not met.
- 74. Waterlines and Hydrant Distribution Prior to construction, plans for waterlines and hydrant locations shall be submitted to the Fire Department for approval.
- 75. No combustible construction shall be allowed until required hydrants and waterlines are in and serviceable.
- 76. Water mains should be a minimum of 8" in size.
- 77. Hydrants spaced maximum 300' for commercial.
- 78. Fire Hydrants All fire hydrants shall conform to the Pismo Beach water distribution system materials list.
- Each hydrant to have one 4.5" outlet and two 2.5" outlets (wet barrel).
- Each hydrant shall be painted OSHA yellow.
- No rolled curbs will be allowed within 15" of a hydrant. Sidewalk OCE a Exhibit 3 minimum of 40" wide behind hydrant center line.

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- Curb to be painted red 15" both sides of hydrant.
- A blue reflective marker shall be installed 6" off center of street in line with hydrant.
- Must install new hydrant and water distribution lines in locations indicated in the adopted City Water Master Plan.
- 79. Fire Flow All fire protection water must be gravity flow with adequate storage to meet domestic and required fire flow.
- 80. Required fire flow will be determined by the Fire Chief, City Engineer, CFC Appendix III-A and ISO.
- 81. In all cases the minimum acceptable residual pressure shall be 20 psi.
- 82. Minimum fire flow shall be 1500-5000 gpm for commercial.
- 83. **Standpipe System** A Class I standpipe hose connection shall be installed on all floors and roof. A Class II standpipe system will be installed in the parking garage. This will be a minimum 1 inch hose reel(s) 150 feet long that can reach all portions of the garage.
- 84. **Utilities** If gas meters, electric utilities or any part of the Fire Protection Water System are subject to vehicular damage, impact protection shall be provided:
- 85. **Smoke Detectors** Provide smoke detectors conforming to State Fire Marshall Standard 12-72-2:
- 86. Detectors shall be installed in accordance with the approved manufacturer's instructions
- 87. **Refuse Areas** Dumpsters and containers with an individual capacity of 1.5 cubic yards (40.5 cubic feet) or more:
- 88. Shall not be stored in buildings or placed within 5 feet of combustible walls, openings or combustible roof eave lines
- 89. Permanent refuse areas within 5 feet of combustible construction shall have automatic sprinklers installed
- 90. Fire Alarm Systems Installation and maintenance of fire alarm system shall be in accordance with the U.F.C. section 1007.
- 91. Automatic Fire Protection Sprinkler System Provide an Automatic Fire Sprinkler System to be monitored by an approved U.L. listed central station.
- This system shall comply with requirements of the California Fire Code, Pismo Beach Fire Department and NFPA CCC Exhibit 3
- NFPA standard 13R system shall be installed in all R-1 occupancies. 15 of 19 page

- NFPA standard 13 system shall be installed in all other occupancies.
- 92. **Lockbox** Provide an approved key lock box to be installed per Fire Department requirements.
- 93. Fire Extinguishers Fire extinguishers shall be installed and maintained in U.F.C. Standards #10-1.
- 94. Portable fire extinguishers shall have a minimum rating of 2A-10BC.
- 95. Roof Access Roof access shall be provided to all roofs from two remote locations.
- 96. **Building/Tenant Improvements** All future building/tenant improvements shall be forwarded to the Fire Department for review and approval prior to the issuance of a building permit.
- 97. Fire Protection Engineer –A Fire Protection Engineer will review and stamp the Fire Protection Systems for this project (CFC 103.1.1). The Fire Protection Engineer will require that you provide working plans as outlined in NFPA 13, 6-1 and NFPA 72 (1999). The Fire Protection Engineer must be approved by the Fire Marshal.

Kitchen Hood Extinguishing System Submittals:

- If the project includes a restaurant a kitchen hood extinguishing system shall be installed.
- Plans shall be submitted to the Pismo Beach Fire Department for approval.
- The system shall be installed by a State licensed contractor.

Exiting:

98. All egress and exiting requirements shall comply with the California Building Code to provide egress from the building to the public way.

Special Events:

99. All special events shall be approved by the County Fire Department 30 days in advance. A list of Special Events should be submitted each year. The applicant must submit a site plan, a description of the events, the number of anticipated participants, measures taken to mitigate the impact of the events on public safety and a written emergency plan for medical aids, injuries, structure fires, wildland fires and other emergencies. The buildings which will be used for special events must be identified during plan review as they may impact the occupancy classification, thus changing the building requirements. No special events will be allowed in buildings designed for other uses, such as stables and barns unless the building is in full compliance of all requirements for assembly occupancy type. The County Fire Department will review the submitted plans and make comments and necessary requirements.

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100. <u>Emergency Plans for Hotels:</u>

A written emergency plan will be developed and written for medical aids, structure fires, wildland fires and other types of emergencies. This plan should include an inventory of equipment and its location, trained personnel and their responsibilities, evacuation procedures of buildings, trails and other facilities, identification of safe refuge areas, facility evacuation and any other pertinent information. The plan should include a site map. NFPA 299 Chapter 10, NFPA 1620

C. During construction:

- 1. Owner and or owner's contractor are to take precaution against damaging road surfaces. Note: The existing street sections adjacent the property may be substandard and may be subject to damage by heavy loading/equipment during construction. The owner is responsible for protection against and/or repairs of, at owner's expense, any/all damage incurred during and/or due to construction.
- 2. Encroachment Permits are required prior to any/all work in the public right of way. City Streets are to remain open to through traffic at all times. A traffic control plan shall be submitted to the Engineering Division for approval prior to detours or rerouting of traffic. Excavation within the streets shall be covered or backfilled and paved prior to the end of work each day. No temporary or long term parking or storage of construction equipment or materials shall occur without prior issuance of an encroachment permit.
- 3. Erosion and Drainage control features are to be available to be placed in the event of rain or other erosive action to prevent any sediment from leaving the site at all times. Erosion control devices shall be installed and in place following daily construction activities from October 15 to April 15. The applicant shall notify the Engineering Division of any changes in construction, which will require additional erosion control measures.

MISCELLANEOUS/FEES:

- 1. REQUIRED FEES. The applicant shall be responsible for the payment of all applicable development and building fees including the following:
 - a. All applicable current adopted development impact fees in place as of August 23, 2005 including the yearly CPI increases.
 - b. Water system improvement charge.
 - c. Water meter hook-up charge.
 - d. Sewer public facilities fee.
 - e. Park development and improvement fee.
 - f. School impact fees pursuant to the requirements of the applicable school district.
 - g. Building and construction and plan check fees: building fee, grading and paving fee, plan check fee, plumbing, electrical/mechanical fee, sewer connection fee, Lopez assessment, Strong motion instrumentation, encroachment fee, and other fees such as subdivision plan check and inspection fees.

h. Other special fees:

1. Assessment district charges.

Other potential fees

i. Any other applicable fees.

- END -

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Attachment A: Text of Appeal

The City of Pismo Beach approved a proposal to demolish an existing series of small motel units and commercial building and construct a 4-level, 35-foot high, 67 room ocean front hotel with subterranean parking and related improvements. The project includes construction of a shoreline protective device within the foundation of the hotel. The proposal is to construct the garage foundation wall fronting the beach to a height of 17.5 feet above mean sea level to reduce the frequency of overtopping by waves during periods of high storm activity or a tsunami event. (City Application Number 02-0138; HMW Group LTD). The proposed project fronts Pismo State Beach just north of Stimson (147 Stimson; APN 005-152-027 & 005-152-032) in the Downtown Planning Area of the City of Pismo Beach. The City-approved project raises Local Coastal Program (LCP) and Coastal Act conformance issues and questions as follows:

The certified LCP regulates new development and construction of shoreline protective structures through Land Use Plan (LUP) Policies S-2 (New Development), S-6 (Shoreline Protective Devices), and Implementation Plan (IP) Chapter 17.078 (Hazards and Protection Overlay Zone), particularly Section 17.078.060(5) (Shoreline Protection Criteria and Standards). These applicable LCP policies and standards require new development to: minimize risk to life and property by avoiding development in high hazard areas; to only allow for shoreline protection structures when necessary to protect existing principal structures in danger of erosion; and finally, to only be approved if the new development can be accommodated without shoreline armoring for a period of 100 years.

In contrast to LCP policy S-2, the City's approval includes new development that extends into an area that is periodically inundated by wave run up and ultimately subject to wave attack (i.e., a high hazard area). The proposal includes construction of a subterranean parking garage beneath the entire ocean fronting site and below the level of the beach. The wave run up study prepared for the project indicates that under existing conditions, the site has a high potential for being flooded from an El Nino storm event and/or from a tsunami. In order to mitigate the impacts of the potential hazards, the City-approved project also includes a shoreline protective device that will be constructed simultaneously with the proposed new hotel, parking, and related improvements. This conflicts with the certified LCP policies and standards which state that seawalls may be approved to protect existing structures in danger from erosion (S-6) and that new development shall not be approved where it is determined that shoreline protection will be necessary for a period up to 100 years (17.078.060(5)). Thus, the City's approval raises questions of consistency with the certified LCP development and shoreline protection policies and standards.

The project also raises questions of consistency with the certified LCP standards for preserving views to and along the beach, as well as safeguarding against excessive mass and bulk, throughout the R-4 (hotel/motel and visitor serving) zoned district. Specifically, section 17.102.010(9)(c) of the 1983 zoning ordinance establishes a 25-foot height limit for new development on ocean-fronting parcels within the R-4 zone to preserve scenic views. Elsewhere in the R-4 zone, a height limit of 35 feet is allowed. Section 17.081.030(3) requires a series of graduated setbacks for each successive floor

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on the primary ocean fronting elevation, up to the maximum height permitted by the zone, to address scale and bulk.

The City-approved project includes three above ground floors that fronts the beach and all along Stimson. The proposed project will be constructed to a maximum height of 35 feet with a portion at the rear of the site rising to 42.5 feet. Additionally a tower feature at the beach elevation is proposed at 42 feet. The proposal includes a modest graduated setback at the south (beach) elevation for the second and third floors. The City's findings for approval indicate that with the façade setbacks, the proposed 3-story, 35 foot height structure meets the intent of the standard. The applicable standards require that both the maximum height be limited to 25 feet and a series of setbacks be incorporated to preserve scenic views and safeguard against excessive bulk and scale. The city-approved project exceeds the ocean front height limit by 10 feet and in some cases even more. It will block public views from the Stimson cul-de-sac and create an unusually large and massive structure directly adjacent to and looming over the public beach access promenade. As a result, the City's approval raises questions of consistency with the City's certified LCP.

Section 17.102.080(3) establishes the maximum allowable lot coverage for all structures within the R-4 zone at 55% of the parcel size. Limiting coverage helps keep a limit on density of development, preserve visual aesthetics, and also works to maintain safe levels of water quality. The approved project site consists of two parcels totaling 45,465 square feet. From the project description and plans, it appears that as much as 85% or more of the site will be covered by impervious structures. Structures, as defined in the certified LCP, includes anything constructed or erected on or in the ground or attachment to something having location on the ground, such as swimming pools, buildings, roads, driveways, paving, parking spaces, or at-grade patios. The Cityapproved project includes a parking garage that covers nearly the entire site. Above ground there are 13 hotel rooms, two meeting rooms, a fitness center, lobby, business center, shop, courtyard and outdoor whirlpool. As noted this development covers nearly the entire site. Accordingly, the City's approval raises questions with consistency with section 17.102.080(3) of the certified LCP.

Also at issue is the project's compliance with LCP Housing Policies. According to the Initial Study prepared by the City, there are thirteen small dwelling units currently on the site that would be demolished. The Initial Study states that the units appear to have been designed for transient occupancy several years ago, but have long been rented on a longer-term basis. According to the Initial Study, eleven units are rented on a month-to-month basis, one is occupied by the property owner, and one is vacant. The Initial Study indicates that seven of the monthly rental units are rented at rates affordable to lower-income residents and the remaining units are affordable to moderate-income tenants.

LCP Housing Policy H-13 requires a one-to-one replacement of units that have been rented at rates affordable to low and moderate-income households. There are exceptions to this replacement requirement for the demolition of 10 or fewer dwelling units, and for new coastal dependent or coastal related uses, unless the City determines that replacement of all or any portion of the units is feasible. In this case, the City presented inconsistent information regarding the number of affordable units to be

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removed, inappropriately characterize the hotel project as a "coastal dependent use", and did not provide an analysis of the feasibility of providing replacement units. Therefore, the absence of a requirement to replace the affordable units that will be demolished by the project calls into question project consistency with LCP Policy H-13.

Finally, the City approved project raises issues regarding consistency with Coastal Act access policy 30213, calling for the protection, encouragement, and where feasible, preservation of lower cost visitor and recreation facilities. LCP Housing Policy H-14 states that the City may encourage the retention of older motels and cottage courts, which, where economically feasible, may continue to provide moderately priced overnight accommodations to Pismo Beach visitors, and identifies sources of economic assistance to facilitate such preservation. The information provided with the City's approval did not include an analysis of how the project may impact lower cost visitor and recreation opportunities, and therefore did not adequately address the requirements of Coastal Act Section 30213.

In sum, the City's LCP requires new development to be assured of 100 years of stability without reliance on shoreline protective structures. It also directs new development to be located outside of high hazard areas and stipulates that seawalls may be permitted to protect existing structures in danger from erosion. The City's LCP policies and standards further establish the height limits and lot coverage allowances designed to preserve scenic views, avoid excessive mass and scale, and protect water quality. In addition, LCP Housing policies require the replacement of affordable units, and encourage the retention of older motels and cottage courts. The City's approval does not appear to be consistent with the LCP in these regards, and raises further concerns regarding conformance to Coastal Act Access Policy 30213 regarding lower cost visitor and recreational facilities. These issues warrant a further analysis and review by the Coastal Commission of the proposed project.

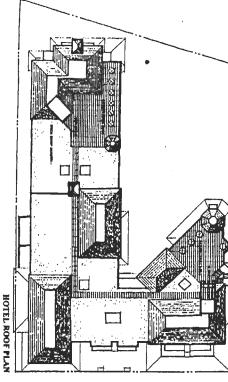
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REVISED PARKING PLAN

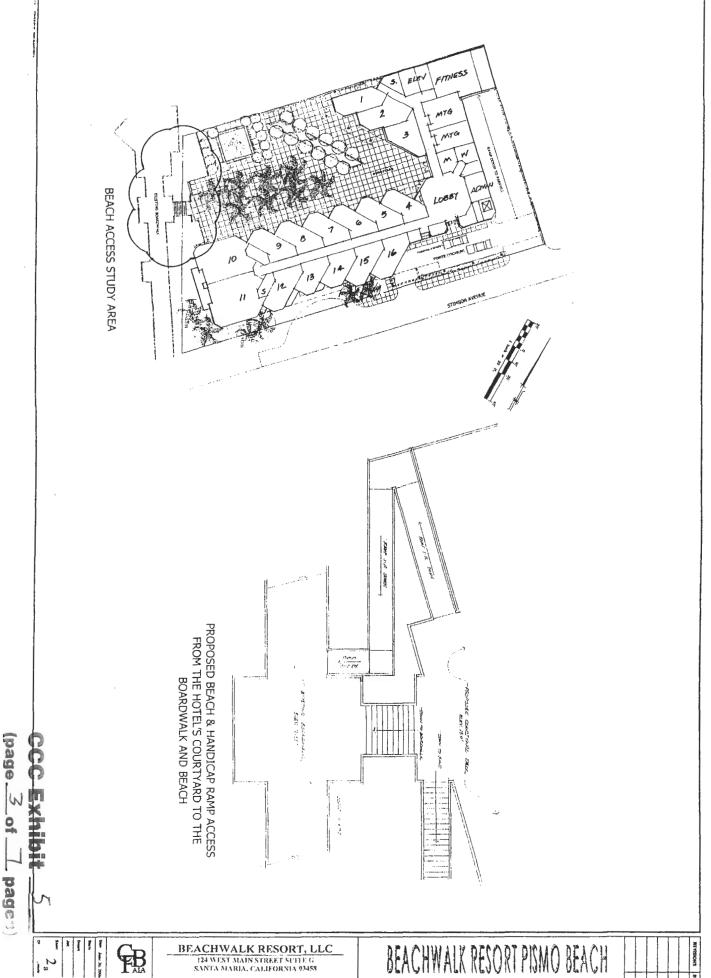
BEACHWALK RESORT, LLC
124 WEST MAIN STREET SUITE G
SANTA MARIA, CALIFORNIA 93-58

BEACHWALK RESORT PISMO BEACH

BEACHWALK RESORT, LLC
124 WEST MAIN STREET SUITE G
SANTA MARIA, CALIFORNIA 93458

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BEACHWALK RESORT PISMO BEACH



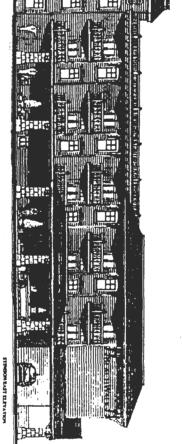
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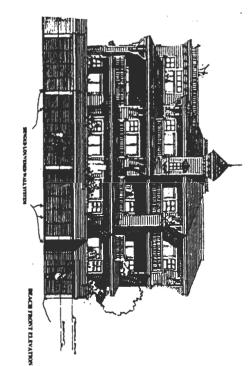
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Enclosure 3

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BEACHWALK RESORT, LLC
124 WEST MAIN STREET SUITE G
SANTA MARIA, CALIFORNIA 93458

BEACHWALK RESORT PISMO BEACH

A-3-05B-06-001

124 WEST MAIN STREET SUITE G SANTA MARIA, CALIFORNIA 93458

BEACHWALK RESORT PISMO BEACH

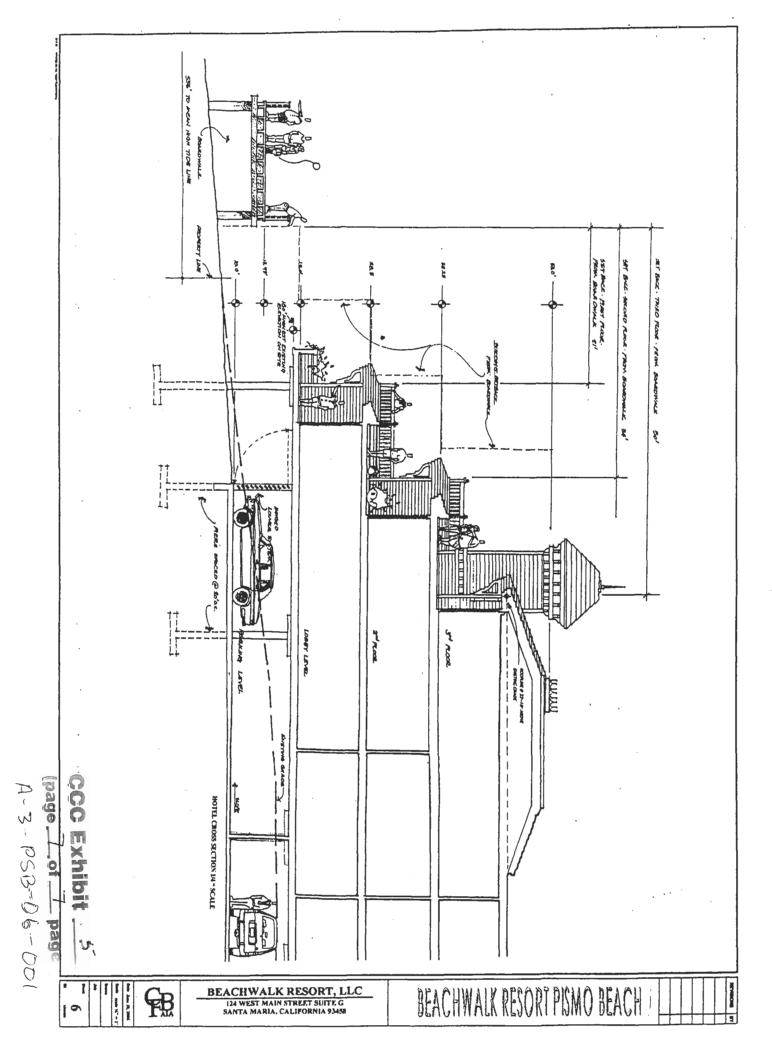
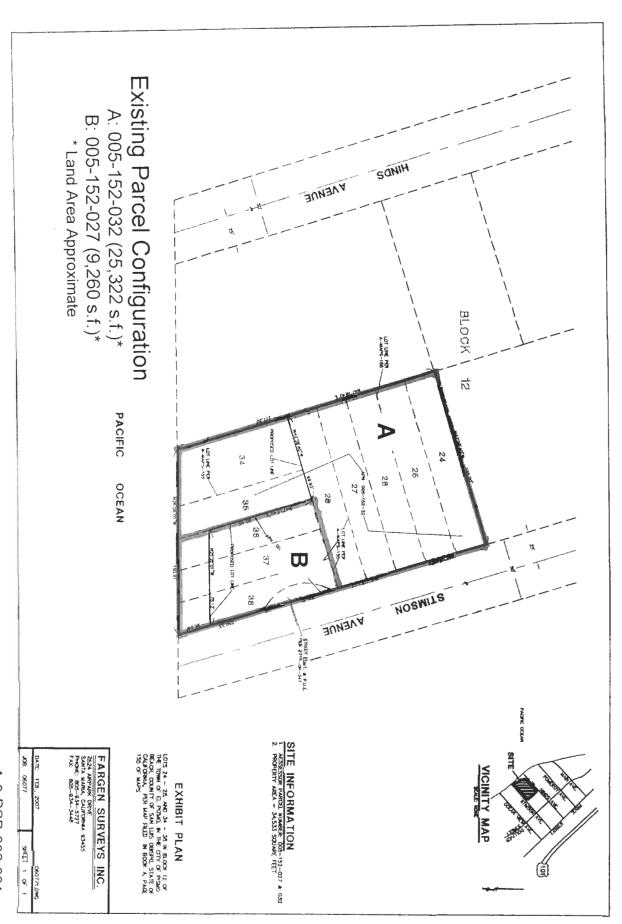
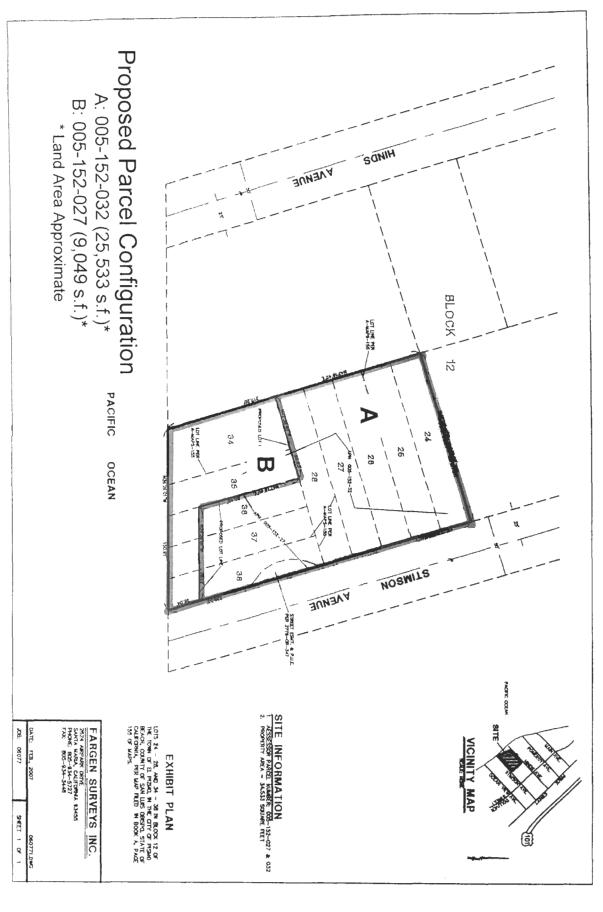


Exhibit 6: Parcel Configurations



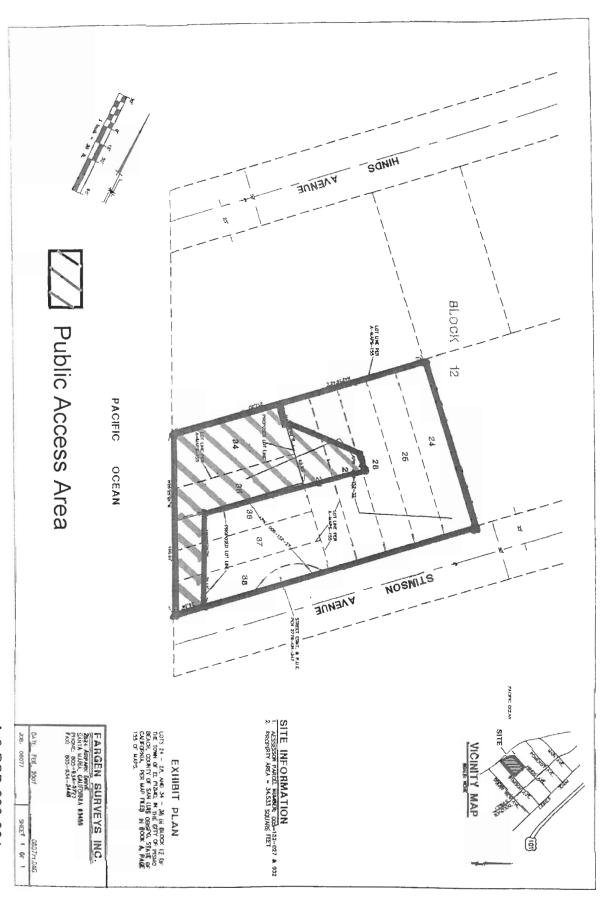
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Exhibit 6: Parcel Configurations



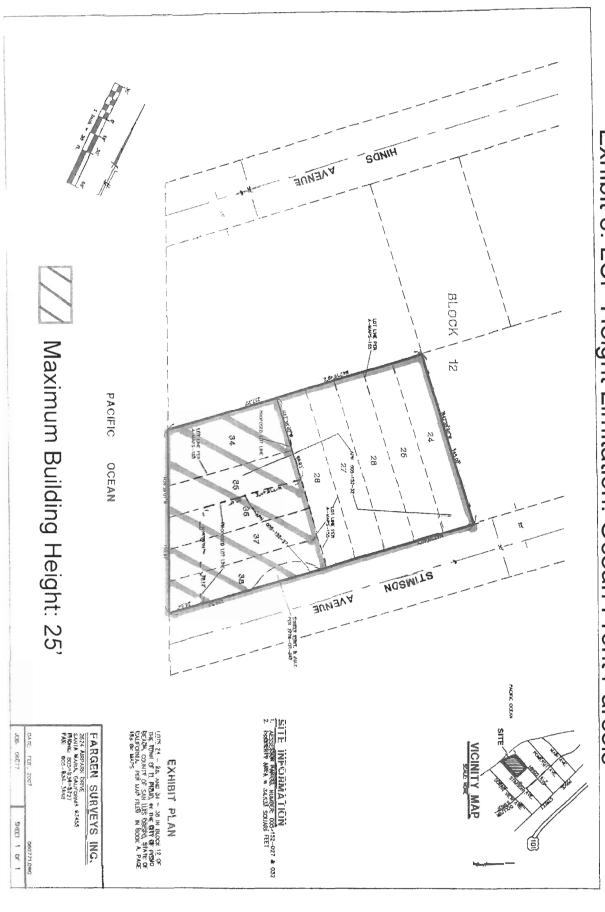
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Exhibit 7: Area Dedicated for Public Access



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Exhibit 8: LCP Height Limitation: Ocean Front Parcels



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