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# F11f

**Prepared November 23, 2016 for December 9, 2016 Hearing**

**To:** Commissioners and Interested Persons  
**From:** Susan Craig, Central Coast District Manager  
Yair Chaver, Coastal Planner  
**Subject:** Morro Bay LCP Amendment Number LCP-3-MRB-16-0056-2-Part C  
(Emergency Shelters and Housing Regulations)

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## **SUMMARY OF STAFF RECOMMENDATION**

The City of Morro Bay proposes to amend the Implementation Plan (IP) component of its certified Local Coastal Program (LCP) to allow for and include specific standards for various types of housing, including emergency shelters, transitional housing, supportive housing, employee housing, and single-room occupancies (SRO). The amendments emanate from State housing laws requiring local governments to allow and provide for these housing types targeted for low-income and at-risk people.

The proposed amendment allows for additional housing types within various LCP zoning districts that already allow for residential development. Thus, the amendment simply adds additional standards to particular subtypes of housing (housing for low-income and at-risk populations) to ensure that these housing types are appropriately provided for in the coastal zone. In other words, the amendment's allowance for emergency shelters, employee housing, SROs, and supportive and transitional housing simply allows for different housing types within areas that already allow and provide for housing opportunities. Furthermore, because all of the LCP's other coastal resource protection policies and standards would continue to apply, the amendment ensures that these housing types will be built in a manner consistent with the LCP and protective of coastal resources.

Staff recommends that the Commission find that the proposed IP conforms with and is adequate to carry out the relevant provisions of the City's certified Land Use Plan, and that the Commission approve the IP amendment as submitted. The motion and resolution are found on page 4 below.

### **Staff Note: LCP Amendment Action Deadline**

This proposed LCP amendment was filed as complete on October 17, 2016. The proposed amendment affects the IP only, and the 60-day action deadline is December 16, 2016. (*See* Pub. Res. Code §§ 30513, 30514(b).) Thus, unless the Commission extends the action deadline (it

may be extended by up to one year per Pub. Res. Code § 30517), the Commission has until December 16, 2016 to take a final action on this LCP amendment.

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## EXHIBITS

Exhibit 1: Proposed IP Amendment

Exhibit 2: Morro Bay IP Zoning Districts Map

## I. MOTION AND RESOLUTION

### **Motion:**

*I move that the Commission reject Implementation Plan Amendment Number LCP-3-MRB-16-0056-2-Part C as submitted by the City of Morro Bay.*

Staff recommends a **NO** vote on the foregoing motion. Failure of the motion will result in certification of the implementation plan amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

### **Resolution:**

*The Commission hereby certifies Implementation Plan Amendment Number LCP-3-MRB-16-0056-2-Part C as submitted by the City of Morro Bay and adopts the findings set forth below on the grounds that the amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.*

## II. FINDINGS AND DECLARATIONS

### **A. DESCRIPTION OF PROPOSED LCP AMENDMENT**

Morro Bay proposes to amend the Implementation Plan (IP) component of its certified Local Coastal Program (LCP) to allow for and include development standards for various types of housing, including emergency shelters, transitional housing, supportive housing, employee housing, and single-room occupancies (SRO). The amendments emanate from State housing law<sup>1</sup> requiring local governments to allow and provide for these housing types, including for low-income and at-risk people.

#### ***Emergency Shelters***

The amendment adds “emergency shelter” as an allowable use within the IP’s Central Business (C-1) zoning district, and includes numerous standards specific to it, including that the maximum number of beds cannot exceed 35, that appropriate exterior lighting shall be required, and that no emergency shelter shall be located within 300 feet of another shelter, among others.

#### ***Employee Housing***

The amendment adds “employee housing” to various zoning districts, including the Agriculture (AG), Suburban Residential (RA), Mixed Commercial/Residential (MCR), and Central Business

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<sup>1</sup> Government Code Section 65583

(C-1) districts. All employee housing is subject to specific standards, including that such housing shall be for no more than six workers and shall be subject to the same zoning standards that apply to single-family residences in that district. Finally, in the AG zone, the amendment defines farmworker housing as a type of employee housing, and allows up to 12 units or 36 beds of such housing in the AG zone, subject to the LCP's agricultural protection policies.

### ***Single-Room Occupancy (SRO) Housing***

The amendment proposes to add SRO housing to the C-1 and MCR districts, and with requisite standards including that such housing units shall be occupied by a single person, that private or shared bathrooms and kitchens may be provided, and that on-site management is to be provided.

### ***Supportive Housing and Transitional Housing***

The amendment adds supportive housing and transitional housing to various zoning districts. Supportive housing is to be reserved for the "target population"<sup>2</sup> and has no limits on the length of stay. Transitional housing provides rental housing options for a maximum six month duration.

### ***Single-Family Residences***

Finally, the amendment adds standards for single-family residences in the Multiple-family residential (R-3) and Multifamily-residential-hotel-professional (R-4) zoning districts. While single-family residences are currently already allowed in these two areas, since both of these districts are meant to housing higher density residential development, the proposed amendment would only allow for single-family residences "where the sites' characteristics, such as size or topography, would preclude multi-family development".

See **Exhibit 1** for the proposed IP amendment text, and see **Exhibit 2** for the Morro Bay Zoning Districts Map.

## **B. STANDARD OF REVIEW**

The proposed amendment affects the IP component of the Morro Bay LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP. (See Pub. Res. Code §§ 30513, 30514(b).)

## **C. CONSISTENCY ANALYSIS**

### **IP Amendment Consistency Analysis**

The Morro Bay LUP includes policy language that supports the continuation and expansion of various housing types throughout the City, but so long as doing so does not have adverse impacts on coastal resources. Specifically, the LUP directs the majority of residential development to areas with residential land use designations (and thus areas with corresponding residential zoning designations as well), but also allows residential development in other areas of the coastal zone, including commercial areas, so long as it is located within, contiguous with, or in close proximity to existing developed areas, or in other areas where it will not have significant adverse effects on coastal resources. The LUP also includes Coastal Act Chapter 3 policies by reference, and thus

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<sup>2</sup> The amendment defines "target population" as persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition.

these policies (including ensuring that residential development does not preclude priority visitor-serving development, for example) also serve as standards by which new residential development within the coastal zone may be allowed. Finally, in agriculturally-designated areas around the City's periphery, the LUP allows single-family residences and farmworker housing.

***Land Use Plan Map and General Land Policies Policy C(1)***

*Five residential land use categories are established to provide for a wide range of densities. The purpose is to ensure that residential land is developed to a density suitable to its location and physical characteristics.*

*One type of residential development that the City would encourage is cluster development. Some of the advantages include increased open space, better visual qualities, additional preservation of sensitive sites, decreased cost of municipal services and an opportunity to provide more affordable housing.*

***Land Use Plan Map and General Land Policies Policy D(0)(1)***

*The City adopts the policies of the Coastal Act (PRC Section 30210 through 30263) as the guiding policies of the Land Use Plan.*

***Land Use Plan Map and General Land Policies Policy D(0)(4)***

*Prior to the issuance of a coastal development permit, the City shall make the findings that the development complies with all applicable Land Use Plan policies.*

***Coastal Agriculture Policy 6.02(e) (in relevant part)***

*Locate new residential, commercial, or industrial development within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources....*

***Coastal Agriculture Policy 6.08(2) (in relevant part)***

*Permitted uses on prime and non-prime agricultural lands shall be agricultural use for cultivation of crops or grazing of livestock and non-residential development accessory to agricultural operations. The following uses shall be conditionally allowed:*

- a. One single-family residence*
- b. Farm labor quarters....*

The proposed amendment allows for additional housing types within various LCP land use designations and zoning districts that already allow for residential development. Thus, the amendment simply adds additional standards to particular subtypes of housing (housing for low-income and at-risk populations) to ensure that these housing types are appropriately provided for in the coastal zone. In other words, the amendment's allowance for emergency shelters, employee housing, SROs, and supportive and transitional housing simply allows for a different housing type within areas that already allow and provide for housing opportunities. Furthermore, because all of the LCP's other coastal resource protection policies and standards would apply as well prior to issuance of a coastal development permit for a specific development proposal (*vis a*

*vis* Policy II.D.0.4), the amendment ensures that these housing types will be built in a manner consistent with the LCP and protective of coastal resources.

For the reasons discussed above, the proposed IP amendment can be found consistent with and adequate to carry out the certified LUP.

#### **D. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The City, acting as lead CEQA agency, found the proposed amendments exempt from environmental review pursuant to Section 15061(b)(3) of the CEQA Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment (the so-called common-sense exemption). This staff report has discussed the relevant coastal resource issues with the proposal. All above findings are incorporated herein in their entirety by reference.

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Specifically, Section 21080.9 of the California Public Resources Code – within CEQA – exempts local government from the requirement of preparing environmental review documentation in connection with its activities and approvals necessary for the preparation and adoption of a local coastal program amendment. Therefore, local governments are not required to prepare environmental review documentation in support of their proposed LCP amendments, although the Commission can and does use any environmental information that the local government submits in support of its proposed LCP amendments when undertaking its duties in complying with the Coastal Act and CEQA when it certifies LCP amendments. The Commission's LCP review and approval program has been found by the Resources Agency to be the functional equivalent of the environmental review required by CEQA, pursuant to CEQA Section 21080.5. Therefore this staff report satisfies CEQA requirements with respect to environmental review documentation for this LCP amendment.

Nevertheless, the Commission is required, in approving an LCP amendment submittal, to find that the approval of the proposed LCP does conform with certain CEQA provisions, including the requirement in CEQA Section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternative or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. (CEQA Guidelines Sections 13542(a), 13540(f), and 13555(b)).

This report has discussed the relevant coastal resource issues with the proposal, and has concluded that the proposed LCP amendment is not expected to result in any significant adverse impact on the environment. Thus, it is unnecessary for the Commission to suggest modifications to the proposed amendment to address adverse environmental impacts because the proposed amendment, as submitted, will not result in any significant environmental effects for which feasible mitigation measures would be required.

# PROPOSED IMPLEMENTATION PLAN AMENDMENT LANGUAGE

## PROPOSED DEFINITIONS

### **17.12.267 Emergency shelter.**

“Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

### **17.12.268 Employee housing.**

“Employee housing” includes but is not limited to farmworker housing. Employee housing for 6 or fewer workers shall be deemed to be a single-family structure with a residential land use, and shall be treated the same as a single family dwelling of the same type in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located, and may consist of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household on land zoned for agricultural uses. Such employee housing shall be considered to be an activity that in no way differs from an agricultural use.

~~17.12.267~~ **17.12.269** **Environmentally sensitive habitat...** (remainder unchanged)

~~17.12.268~~ **17.12.270** **Equestrian boarding...** (remainder unchanged)

~~17.12.269~~ **17.12.271** **Estuary...** (remainder unchanged)

~~17.12.270~~ **17.12.271.5** **Family...** (remainder unchanged)

### **17.12.581 Single-Room Occupancy (SRO).**

“SRO” means a multi-unit housing project for single persons typically consisting of single rooms and shared bathrooms, and may include a shared common kitchen and activity area. SROs may be restricted to seniors or be available to persons of all ages.

### **17.12.626 Supportive housing.**

“Supportive housing” means housing with no limit on length of stay, that is occupied by a target population, and that is linked to an onsite or offsite service that assists the supportive



housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live, and, when possible, work in the community.

#### **17.12.627 Target population.**

“Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

#### **17.12.640 Transitional housing.**

“Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that mandate the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

## **PROPOSED ZONING DISTRICT STANDARDS**

#### **17.24.020 Agriculture (AG) district.**

- A. Purpose. The purpose of the agriculture (AG) district is to provide for the continuation of agricultural uses in suitable areas and for supplemental commercial uses which may be necessary to support such continued agricultural activities. New development in this district shall also be sited and designed to protect and enhance scenic resources associated with the rural character of agricultural lands.

It is the intent of the city that it shall maintain the maximum amount of prime agricultural land in agricultural production to assure the protection of the area's agricultural economy, and to facilitate and encourage the provision of decent, affordable housing for farm workers by not requiring a conditional use permit, zoning variance, or other zoning clearance for farmworker housing that is not required of any other agricultural activity in the Agriculture (AG) zone, except that a Coastal Development Permit is required consistent with the Local Coastal Program. In addition, it is the city's intent that all nonprime agricultural land within the city suitable for agricultural use shall not be converted to nonagricultural uses unless:

1. Continued or renewed agricultural use is not feasible; or
2. Such conversion would preserve prime agricultural land or concentrate development consistent with Public Resources Code, Section 30250.

Not part of the  
proposed  
amendment

4. Findings and Decision. The written decision to grant or deny a request for reasonable accommodation will be consistent with the Acts and shall be based on consideration of the following factors:
- A. Whether the housing, which is the subject of the request, will be used by an individual disabled under the Acts;
  - B. Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Acts;
  - C. Whether the requested reasonable accommodation would impose an undue financial or administrative burden on the City;
  - D. Whether the requested reasonable accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use, zoning, or the Local Coastal Program;
  - E. Potential impact on surrounding uses;
  - F. Physical attributes of the property and structures; and
  - G. Alternative reasonable accommodations that may provide an equivalent level of benefit.
5. Conditions of Approval. In granting a request for reasonable accommodation, the reviewing authority may impose any conditions of approval deemed reasonable and necessary to ensure that the reasonable accommodation would comply with the findings required herein. The conditions shall also state whether the accommodation granted shall be rescinded in the event that the person for whom the accommodation was requested no longer resides on the property.

**Section 4. Section 17.24 - Primary Districts, is hereby amended as follows:**

- A. Section 17.24 – Uses permitted in each zone are amended to allow the following uses to be principally permitted in the zones indicated:

ZONES		USE TYPE
Symbol	Zone Name	
AG	Agriculture	Employee Housing (max 36 beds in a group quarters or 12 units or spaces) <i>with approval of a CDP where applicable</i>
		Supportive Housing and Transitional Housing <i>within a residential structure that is consistent with the LCP, with approval of a CDP where applicable</i>
RA	Suburban Residential	Employee Housing (max 36 beds in a group quarters or 12 units or spaces) Supportive Housing and Transitional Housing
R-1	Single-family residential	Employee Housing (for 6 or fewer workers)

The  
amendment  
proposes to  
add uses in  
the Use Type  
column to  
the  
respective  
zoning  
district

		Supportive Housing and Transitional Housing
R-2	Duplex residential	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
R-3	Multiple-family residential	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
R-4	Multifamily residential-hotel-professional	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
CRR	Coastal resource residential	Supportive Housing and Transitional Housing
		Employee Housing (for 6 or fewer workers)
C-1	Central business	Supportive Housing and Transitional Housing
		Single Room Occupancy (SRO)
		Emergency Shelter
		Employee Housing (for 6 or fewer workers)

B. Section 17.24 – Uses permitted in each zone are amended to allow the following uses to be permitted with a Minor Use Permit in the zones indicated:

ZONES		USE TYPES
Symbol	Zone Name	
MCR	Mixed Commercial/Residential	Employee Housing (for 6 or fewer workers)
		Single Room Occupancy (SRO)
		Supportive Housing and Transitional Housing
R-3	Multiple-family residential	Single-family residential, where the sites' characteristics, such as size or topography, would preclude multi-family development.
		All principally permitted uses in the R-1 and R-2 districts, where the sites' characteristics, such as size or topography, would preclude multi-family development.
R-4	Multifamily residential-hotel-professional	Single-family residential, where the sites' characteristics, such as size or topography, would preclude multi-family development.

#### **17.48.360 Emergency Shelter.**

It is the purpose of this section to facilitate and encourage the provision of emergency shelter for homeless persons and households by allowing permanent year-round emergency shelters without a conditional use permit or other discretionary action in the C-1 (Central Business) zone, subject only to the same development standards that apply to the other permitted uses in these zones, except for the following requirements unique to emergency shelters, as authorized by Government Code Section 65583(a)(4):

1. The maximum number of beds or persons to be served nightly by an emergency shelter shall be 35.
2. Off-street parking shall be based upon demonstrated need, provided that parking for an emergency shelter shall not be more than that required for other commercial or industrial uses permitted in the Central Business (C-1) zone.
3. Appropriately sized and located exterior and interior on-site waiting and intake areas shall be provided.
4. Appropriate exterior lighting shall be provided.
5. On-site management shall be provided.
6. Security shall be provided during the hours that the emergency shelter is in operation.
7. The maximum length of stay by a homeless person in an emergency shelter shall be six (6) months.
8. An emergency shelter shall not be located within 300 feet of another emergency shelter.
9. No individual or household shall be denied emergency shelter because of an inability to pay.

#### **17.48.370 – Single-Room Occupancy (SRO).**

It is the intent of this section to facilitate and encourage the provision of affordable shelter for low-income persons with special housing needs by allowing SRO housing without a conditional use permit or other discretionary action in the Central Business (C-1) zone, and with a minor use permit in the Mixed Commercial/Residential (MCR) zone, subject only to the same development standards that apply to the other permitted uses in these zones, except for the following requirements unique to SROs:

1. Occupancy. An SRO unit shall be occupied by a single person. Occupancy of SRO units may be restricted to seniors or be available to persons of all ages.
2. Special Development. Units in an SRO housing development shall consist of a single room and may have a private or shared bathroom. A shared common kitchen and activity area may also be provided.
3. Management Standard. On-site management shall be provided.



CITY OF MORRO BAY ZONING

