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## Staff Report

**TO:** Chairperson Meyer and Members of the Planning Commission

**FROM:** Susana Toner, Senior Planner, Planning Division

**SUBJECT:** 1180 Front St; Coastal Development Permit (CDP25-003), Minor Use Permit (MUP25-02), and Design Review Permit (DR25-001)

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### **PROJECT DESCRIPTION**

Coastal Development Permit (CDP25-001) request for the construction of a 6,561 sf two-story, 10-unit luxury hotel located at 1180 Front St. Concurrent with Minor Use Permit application MUP25-02 for a reduction in required parking and Design Review Permit application DR25-001. The project is zoned VSC (Visitor Serving Commercial) and is within the Cultural Resources Overlay and the Coastal Appeals Jurisdiction.

### **RECOMMENDED ACTION**

CONDITIONALLY APPROVE THE PROJECT by approving Planning Commission Resolution 04-26 (Exhibit A) which includes the Findings and Conditions of Approval for the project as depicted on site development plans dated January 15, 2026.

### **APPLICANT**

Don Daniels,  
Property Owner

### **AGENT**

Joey Cox,  
RRM Design Group

### **ADDRESS / APN**

1180 Front St,  
066-034-015

*Figure 1: Project Location*



**PROJECT SETTING**

The project is located on portions of Lot 1 and 2, Block 61 of the Bakersfield Colony Tract, with a land use designation of Visitor Serving Commercial per the Local Coastal Plan Land Use Map. The project site lies within the Visitor Serving Commercial Zoning District and is within the Coastal Commission Appeals Jurisdiction. This 0.36 acre lot is not visible from scenic Highway 1.

*Figure 2: View of Subject Property*



*Figure 3: Photosimulation of Proposed Project*



Adjacent Zoning / Land Use			
<b>North:</b>	VSC / RM (Visitor Serving Commercial / Medium Density Residential)	<b>South:</b>	VSC (Visitor Serving Commercial)
<b>East:</b>	RM (Medium Density Residential)	<b>West:</b>	VSC (Visitor Serving Commercial)
<b>North East:</b>	PF (Public Facilities)	<b>North West:</b>	PF (Public Facilities)

Site Characteristics	
<b>Site Area</b>	0.36 Acres
<b>Existing Use</b>	Vacant
<b>Terrain</b>	20% avg slope
<b>Vegetation / Wildlife</b>	N/A
<b>Archaeological Resources</b>	Within Cultural Resources Overlay
<b>Access</b>	Front St Parking Lot

General Plan, Zoning Ordinance, & Local Coastal Plan Designations	
<b>General Plan / Coastal Plan Land Use Designation</b>	Visitor Serving Commercial
<b>Base Zone District</b>	VSC
<b>Zoning Overlay District</b>	N/A
<b>Special Treatment Area</b>	N/A
<b>Specific Plan Area</b>	N/A
<b>Coastal Zone</b>	Located Inside of the Coastal Zone and within Coastal Commission Appeal Jurisdiction

**PROJECT ANALYSIS**

**Background**

This project is proposed on a currently vacant lot. The lot adjacent to the south was developed into a 6-unit hotel project by 2019. At the time of the development, Coastal Permit boundaries identified this area as Coastal Commission Original Jurisdiction, meaning that the Coastal Development Permit review authority was the California Coastal Commission. Recent Tidelands mapping has now identified the area as within the City’s permitting authority, subject to appealability to the Coastal Commission.

The area north of the project is Surf St right-of-way, this right-of-way area is not entirely paved and does not allow continuous vehicular access down the bluff. The area contains a lift station

and was the previous location of the Surf St Stairs, which provided pedestrian Coastal Access from the top of the bluff down to the Front St parking lot and Embarcadero. The Surf St stairs were closed and removed in late 2018 due to deterioration and safety concerns.

**Visitor Serving Commercial District Development Standards – VSC (MBMC 17.08.030)**

<b>VSC Development Standards (17.08.030)</b>		
	<b>Standards</b>	<b>Proposed</b>
<b>Front Setback</b>	0'	2'2"
<b>Interior Side-Yard Setback (South)</b>	0'	1'3"
<b>Corner Side-Yard Setback (North)</b>	0'	4'5"
<b>Rear Setback</b>	10' (adjacent to a residential district)	16'4"
<b>Height</b>	30' Max from Average Natural Grade <sup>1</sup> Low Point: 17'4" High Point: 33'4" ANG: 25'4" Max Height: 55'4"	From ANG: 24'7" to roof ridge 28'10" to elevator tower From Sea Level: 42'5" to roof ridge 46'8" to elevator tower
<b>Floor Area Ratio</b>	1.25	0.33
<b>Parking</b>	11 Spaces	0 Spaces <sup>2</sup>

<sup>1</sup>See discussion on Height below

<sup>2</sup>See discussion on Parking and Minor Use Permit (MUP25-02) below

**Height**

The Zoning Code / Implementation Plan (IP) in effect at the time of this review outlines a 30-foot height limit, measured from average natural grade. The Beach Street Specific Plan, repealed with the adoption of the current Zoning Code/ IP, contained a provision that limited development on Front Street in Visitor Serving Commercial Zones between Beach and Surf St to no taller than the height of the bluff. This provision, referred to as the Blufftop Height Limit, from the Beach Street Specific Plan has been recommended by Planning Commission and approved by City Council to be added back into the Zoning Code / IP; it is currently waiting for certification by the California Coastal Commission to take effect.

While this provision is not yet in effect, the majority of the project does not exceed the height of the bluff, the only portion above the height of the bluff is the proposed elevator tower. The top of bluff at the rear property line is 43' above sea level (ASL). The top of the roof ridge is 42'5", 7" lower than the height of the bluff. The top of the elevator tower is 46'8", 3'8" above the top of

the bluff. The view of the project from the end of Surf St, at the top of the bluff, can be seen in Figure 4 below.

Figure 4: Photosimulation from top of Surf St.



MBMC Section 17.23.070 – Heights and Height Exceptions goes through specific structures that may exceed the maximum permitted height from a specific district’s development standards. While the provision limiting height to the top of the bluff is not yet in effect, the height exceptions stated in MBMC 17.23.070 will allow for exceptions from the height limit defined by the Blufftop Height Limit. Table 17.23.070: Allowed Projections Above Height Limits, allows for elevator towers to have a maximum allowance of 6’ above a district’s height limit, with coverage and location limitations. The elevator tower is limited to a total of 20% of roof area and must be setback from the exterior wall one foot for every foot of projection above the height limit, or 3.66 feet in the scenario where the Bluff Top Height Limit was in effect. With a floor area of approximately 104 sf, the elevator tower is approximately 2.2% of the roof area (4,393 sf). The design of the project does not include exterior walls on the rear elevation of the building, the elevator tower is set approximately 6’ back from the edge of the floor area on the second floor and approximately 4’9” from the edge of the trellis. If the coverage and location standards from Table 17.23.070 are met, the height exceptions would not require any variances or modifications for approval.

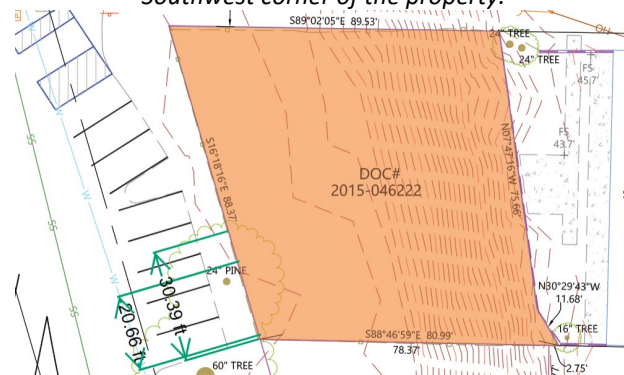
#### **Parking and Minor Use Permit Findings (MUP25-02)**

Hotels and Motels have a parking requirement of 1 space per room, plus one space for every 10 rooms. This 10-room boutique hotel has a parking requirement of 11 spaces. MBMC 17.25.050.B allows for a reduction of all or a portion of required parking spaces when located within 1,200

linear feet of a city-owned public parking lot with the approval of a Minor Use Permit. The project is directly adjacent to a city-owned public parking lot, meaning it would be eligible for this reduction.

Due to the nature of the property's frontage and access from an existing public parking lot, in order to provide on-site parking spaces, 3-4 public parking spaces would be removed to accommodate a two-way drive aisle to private parking spaces, see figure 4 below. Table 17.27.100.G establishes a minimum drive aisle width of 20 feet and a maximum drive aisle width of 30 feet for two-way drive aisles.

Figure 4: Cropped image from Sheet A-2 Topographic Survey, showing approximate dimensions, in green, from the Southwest corner of the property.



Since the project qualifies for a parking reduction and the majority of parcels along this stretch of Front St do not provide any on-site parking, staff is recommending a reduction of 4 required parking spaces, as those parking spaces would have been removed if parking were to go on site due to the proximity to the public parking lot, through Minor Use Permit findings shown below and in PC Reso 04-26.

- A. *The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this title and all other titles of the municipal code;*

The proposed boutique hotel use is a permitted use within the Visitor Serving Commercial Zone. The project as proposed and conditioned meets the requirements of the Morro Bay Municipal Code.

- B. *The proposed use is consistent with the general plan and any applicable specific plan;*

The proposed hotel use is consistent with the general plan and no specific plans are applicable to the property.

- C. *The proposed use will not be adverse to the public health, safety, or general welfare of the community, nor detrimental to surrounding properties or improvements;*

The parking reduction will not be adverse to the public health, safety, or general welfare of the community as it preserves public parking spaces that would have been removed to provide on-site private parking spaces. The parking reduction will not be detrimental to the surrounding properties as the majority of the properties along the Front St parking lot do not provide on-site parking spaces.

- D. The proposed use complies with any design or development standards applicable to the zoning district or the use in question unless waived or modified pursuant to the provisions of this title;*

The proposed hotel project meets the design and development standards applicable to the zoning district and type. Due to its proximity to a city-owned public parking lot, the project is eligible for a parking reduction to all or a portion of the required parking. The required proximity is 1,200 feet, this project is directly adjacent to the parking lot.

- E. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and reasonably foreseeable future land uses in the vicinity; and*

The proposed hotel project is directly adjacent to a boutique hotel and there are several other hotels along Front St. None of the existing hotel projects on this block provide dedicated on-site parking for their overnight guests.

- F. The site is physically suitable for the type, density, and intensity of use being proposed.*

Through the reduction in on-site parking requirements, the site is physically suited for a hotel project of this size. The project is well below the maximum allowed Floor Area Ratio (FAR), it meets the both the height limit in effect at the time of the hearing and the height limit under consideration for certification by the California Coastal Commission.

For the remaining 7 required parking spaces, MBMC 17.27.060.B grants the Planning Commission the authority to allow an applicant to satisfy parking requirements through in-lieu fees where the reasonable development of a property precludes the development of off-street parking. The proposed structure is located towards the west side of the property; however, the portion of the property that would remain vacant is unusable for parking due to the existing bluff. Condition 54 of PC Reso 04-26 requires the payment of 7 parking in-lieu fees prior to building permit issuance. The in-lieu fee is currently set at \$15,000 per space. The in-lieu funds can be used for projects, such as restriping of existing parking lots, to increase parking capacity on the waterfront. Preliminary analysis in the Waterfront Master Plan Update shows the potential for increased parking capacity through restriping. The updated Waterfront Master Plan will include a circulation concept showing specific proposals for restriping existing parking lots.

**Sloping Lot Standards (17.23.140)**

Lots with an average grade over 15% must comply with the provisions of MBMC 17.23.140. With an average slope of 20%, the project must comply with the standards below:

- A. *Downhill Facing Building Elevation. The building elevation facing the downslope shall have a maximum height of twenty feet from finished grade with sufficient articulation from that building face to the next highest story to minimize the visual height and bulk as viewed from the lowest finished grade.*

The proposed building is broken up into 2 stories. Not including the roof pitch, each story is approximately 10 feet. A pedestrian at the lowest finished grade would have a minimized view of the bulk of the structure because of the relief provided by the private hotel decks. The articulation features of the building are described in more detail in the next standard.

- B. *Articulation. The apparent size of exterior wall surfaces visible from off the site shall be minimized through the use of bays, recesses, stepbacks, overhangs, landscaping, and/or other means of horizontal and vertical articulation to create changing shadow lines and break up massive forms.*

The proposed building is broken up both horizontally and vertically to provide articulation. As mentioned above, each hotel room has a private deck facing the bay and Morro Rock, the decks have both horizontal wood and glass railings. Because of the decks on the west side of the building, there is no solid wall on the front façade of the building, shown in Figure 2 above. The vertical articulation is best demonstrated through the roof line and photosimulation provided on Sheets A5 and A11 of the Exhibit A – Plan Set, also shown below in Figures 5 and 6. From the northern side of the building, both stories of the building steps back 4’2” every 14’2” of frontage, or the width of one room.

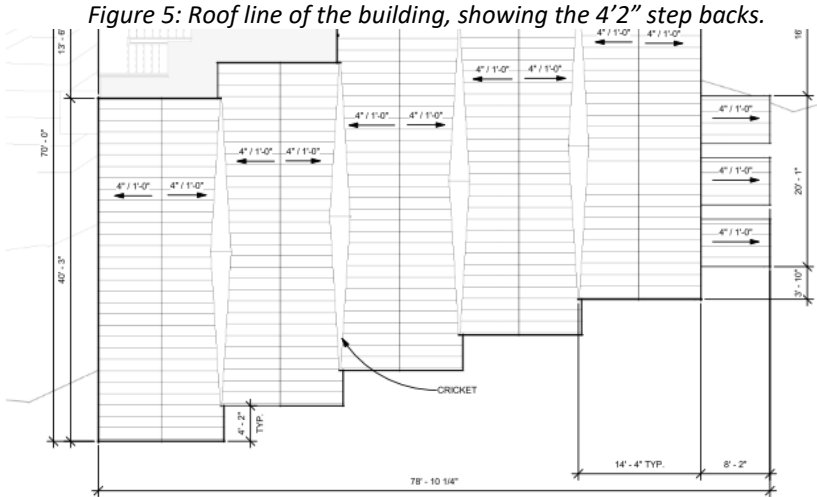


Figure 6: Photosimulation showing the project looking North.



C. Foundation Design. The use of multi-level foundations (floor levels separated by a minimum of four feet) shall be the standard design for residential structures unless an alternative design, with less grading, is approved through the design review process as more appropriate for the site.

The proposed project does not use multi-level foundations, the majority of the proposed structure is located on the flattest portion of the parcel before the slope of the bluff.

D. Underfloors. Areas between the lowest floor and finished grade shall not exceed six feet in height.

The project does not propose any underfloor areas.

- E. Decks. *No portion of the walking surface of a deck with visible underpinnings shall exceed a height of six feet above grade. Decks shall be integrated into the architecture of the structure, and not appear as an add-on to the primary building mass.*

Decks are proposed with each of the 10 hotel rooms. None of the private decks have any visible underpinnings. The outdoor area on the second floor does not have any visible underpinnings and stays below the roofline of the building. The materials used for all deck railings are complementary to the materials of the building and are integrated into the architectural style of the building.

### **Low-Cost Visitor Serving Accommodations**

The City's Local Coastal Program requires new hotel projects to provide low-cost visitor serving accommodations at a rate of 1 low-cost accommodation for every 4 high-cost accommodations provided. Implementation Action LU-17 in Plan Morro Bay allows projects not located within State Tidelands that do not provide low-cost accommodations to incorporate non-overnight facilities. Through Condition 53 in PC Reso 04-26, this project would be required to rebuild the Surf St stairs as the frontage improvements for the property along the Surf St right-of-way and as their means to provide no-cost visitor serving amenities for enhanced public access to the waterfront.

### **Project Evaluation**

As conditioned and through Minor Use Permit approval, the project meets all requirements outlined in the Morro Bay Municipal Code (MBMC) and Plan Morro Bay. This project is before the Planning Commission for review pursuant to MBMC 17.39.010(B), which identifies the Commission as the review authority for the Coastal Development Permit and MBMC 17.38.030.A, which identifies the Commission as the review authority for the required Design Review Permit.

### **ENVIRONMENTAL REVIEW**

Projects requiring discretionary action are subject to the California Environmental Quality Act (CEQA) and require review for determination and appropriate documentation. The project is not located within any known originally mapped environmentally sensitive habitat area (ESHA), however, the project is located within the Cultural Resources Protection Overlay (CRP). A Phase I Archeological study was prepared by SWCA, and no significant resources were identified during the survey. The archeological study recommended monitoring during any ground disturbing activities and the project is conditioned to provide an archeological monitoring plan at the time of building permit submittal through Condition 55 of PC Reso 04-26.

Due to the project's location near the bluff, a Geotechnical Engineering and Geologic Hazards Report was prepared to evaluate the project. Page 14 of the report, Exhibit C, outlines the determination that slope stability is not a hazard to the project or potential hotel occupants. The

project shall comply with all the recommendations of the Report, as required through the Building Permit process. The proposed project, which is primarily located at the base of the bluff, minimizes grading on the steeper portions of the site.

CEQA Determination: The proposed project is categorically exempt from the provisions of CEQA per State CEQA Guidelines Section 15332 Class 32, In-Fill Development projects. The project meets the general plan and zoning ordinance and is on a parcel within city limits smaller than 5 acres. The parcel does not provide habitat areas to any endangered, rare, or threatened species. The project does not pose a risk to traffic, noise, air quality, or water quality. The site can also be adequately serviced by all required utilities and public services. Additionally, none of the Categorical Exemption exceptions, noted under Section 15300.2, apply to the project.

A Notice of Exemption will be filed with the San Luis Obispo County Clerk's office upon final approval.

### **CONCLUSION**

The proposed project is consistent with all applicable development standards of the Zoning Ordinance through Minor Use Permit approval for the parking reduction and conditioned payment of in-lieu fees for the remaining required parking spaces. In addition, the project complies with all applicable provisions of Plan Morro Bay and the City's Local Coastal Plan. The project has been found to be exempt from CEQA.

### **RECOMMENDATION**

Staff recommends the Planning Commission approve the requested Coastal Development Permit (CDP25-003), Minor Use Permit (MUP25-02), and Design Review Permit (DR25-001) for the proposed project at 1180 Front Street, as shown on plans dated January 16, 2026, by adopting Planning Commission Resolution 04-26, which includes the Findings and Conditions of Approval for the project.

### **EXHIBIT**

Exhibit A – Planning Commission Resolution 04-26

Exhibit B – Plan Set, Dated December 15, 2025 (Includes Materials Board and Photosimulations)

Exhibit C – Geotechnical Engineering and Geologic Hazards Report, dated December 9, 2025