CALIFORNIA COASTAL COMMISSION

SOUTH CENTRAL COAST AREA 89 SOUTH CALIFORNIA ST., SUITE 200 VENTURA, CA 93001 (805) 585-1800

Item W 13b

Filed: 5/3/09
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Staff: Barbara Carey
Staff Report: 11/19/09

Hearing Date: 12/9/09

STAFF REPORT: REGULAR CALENDAR

APPLICATION NO.: 4-08-075

APPLICANT: Saddlepeak West, LLC and Mountains Recreation and

Conservation Authority

AGENT: Larry Goodwin

PROJECT LOCATION: East of Saddlepeak Road, approximately 700 feet

southeast of Whitney Road, Santa Monica Mountains, Los Angeles County [APNs 4448-020-047; 4448-020-048; and

4438-034-9051

PROJECT DESCRIPTION: Redivision of three parcels that are 4.9-acres, 4.9-acres, and 10.22-acres in size to create three parcels that will be 2.2-acres, 2.7-acres, and 15.12-acres in size, and donation of approximately 10-acres of the resultant 15.12-acre parcel to the Mountains Recreation and Conservation Authority in fee title.

MOTION & RESOLUTION: Page 4

SUMMARY OF STAFF RECOMMENDATION: Staff recommends **approval** of the proposed development with conditions. The purpose of the proposed lot line adjustment is to cluster the three identified development areas for three separate legal parcels. The proposed clustering of development areas will serve to greatly reduce adverse impacts to ESHA in comparison to potential development of the three existing parcels in their current configuration. In addition, the proposed project includes the donation of approximately 10-acres of the resulting 15.12-acre parcel to the Mountains Recreation and Conservation Authority in fee title as a separate parcel.

The standard of review for the proposed project is the Chapter Three policies of the Coastal Act. In addition, the policies of the certified Malibu – Santa Monica Mountains Land Use Plan (LUP) serve as guidance. Following is a summary of the main issues raised by the project and how they are resolved by staff's recommendation:

CUMULATIVE IMPACTS. The project includes the redivision of the subject three
parcels, through a lot line adjustment, which is considered a land division under the
provisions of the Coastal Act. The proposed land re-division will reconfigure the
parcels in consideration of topographical constraints and existing physical access.

Review of the proposed parcel reconfiguration indicates that the re-division will allow for the clustering of three future residences along an existing common access road in close proximity to existing residential development. Clustering of the three identified development areas, pursuant to the proposed lot line adjustment, will serve to greatly reduce cumulative adverse impacts to coastal resources in comparison to the potential development of the three existing parcels in their current configuration.

- ENVIRONMENTALLY SENSITIVE HABITAT AREA. The project site contains habitat that meets the definition of ESHA. The subject parcels contain relatively undisturbed native habitat consisting primarily of chaparral plant communities contiguous with a larger area of native chaparral. Each of the existing parcels is considered environmentally sensitive habitat area (ESHA). The proposed reconfiguration will provide for clustering of three future development areas on the western portion of the project site, near an existing road and other development. This will minimize grading, landform alteration, and removal of habitat. The clustering will allow for overlapping fuel modification areas and the preservation of land for open space and conservation purposes on the more remote, eastern portion of the project site. The project is conditioned to require an open space restriction on the areas of the site outside the development areas. Clustering of the three identified development areas, pursuant to the proposed lot line adjustment, will serve to greatly reduce adverse impacts to ESHA in comparison to the potential development of the three existing parcels in their current configuration.
- VISUAL RESOURCES. The proposed reconfiguration will result in clustering three development areas on the western portion of the project site, nearest to Saddle Peak Road. This would result in a much shorter, shared access road for all three sites. In this way, the reconfiguration will greatly reduce the amount of grading and landform alteration necessary to provide vehicular access to any future development. Additionally, the clustered development areas will obtain some overlap of required fuel modification areas when the proposed sites are developed with residences. Overlapping fuel modification will reduce the visual impacts that result from the alteration of natural vegetation.

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LOCAL APPROVALS RECEIVED: County of Los Angeles Department of Regional Planning, Approval in Concept, dated 9/18/08

SUBSTANTIVE FILE DOCUMENTS: Certified Malibu/Santa Monica Mountains Land Use Plan; The March 25, 2003 Memorandum Regarding the Designation of ESHA in the Santa Monica Mountains, prepared by John Dixon, Ph. D; CDP 5-87-197 (Sisson); CDP Waiver 4-07-048-W (Goodwin); CDP 4-96-28 (Harberger, et. al.), CDP 4-96-150 (Rein, et. al.), CDP 4-96-189 (Flinkman), CDP 4-96-187 (Sohal), CDP 4-04-026 (Malibu Ocean Ranches, Stoney Heights, Creekside), CDP 4-07-028 (Johnson, Gray, Early), CDP 4-08-091 (Cook)

I. STAFF RECOMMENDATION

The staff recommends that the Commission adopt the following resolution:

MOTION: I move that the Commission approve Coastal Development

Permit No 4-08-075 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 Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. 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.

II. STANDARD CONDITIONS

- 1. <u>Notice of Receipt and Acknowledgment</u>. 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.** <u>Expiration</u>. 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.** <u>Interpretation</u>. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.

- **4.** <u>Assignment.</u> 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.** <u>Terms and Conditions Run with the Land</u>. 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.

III. SPECIAL CONDITIONS

1. <u>Deed Restriction</u>

Prior to issuance of the Coastal Development Permit, each co-applicant shall submit to the Executive Director for review and approval documentation demonstrating that the co-applicant has executed and recorded against their respective 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. Open Space Restriction

- A. No development, as defined in Section 30106 of the Coastal Act, grazing, or agricultural activities shall occur in the Open Space Area 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:
- (1) Fuel modification required by the Los Angeles County Fire Department undertaken in accordance with a final approved fuel modification plan approved by the Commission pursuant to a different CDP(s) issued by the Commission;
- (2) Drainage and polluted runoff control activities required and approved by the Commission pursuant to a different CDP(s) issued by the Commission;
- (3) Planting of native vegetation and other restoration activities, if approved by the Commission as an amendment to this coastal development permit or a new coastal development permit;
- (4) If approved by the Commission as an amendment to this coastal development permit or a new coastal development permit,

- a. construction and maintenance of public hiking trails; and
- b. construction and maintenance of roads, trails, and utilities consistent with existing easements.
- B. Prior to the issuance by the Executive Director of the NOI for this Coastal Development Permit, each co-applicant shall submit for the review and approval of the Executive Director, and upon such approval, for attachment as an Exhibit to the NOI, a formal metes and bounds legal description and graphic depiction, prepared by a licensed surveyor, of the portion of each of the three subject properties affected by this condition, as generally described on Exhibit 5 attached to the findings in support of approval of this permit.

IV. FINDINGS AND DECLARATIONS

The Commission hereby finds and declares:

A. PROJECT DESCRIPTION AND BACKGROUND

The applicant proposes the redivision of three parcels that are 4.9-acres, 4.9-acres, and 10.22-acres in size to create three parcels that will be 2.2-acres, 2.7-acres, and 15.12-acres in size. The applicant further proposes to donate approximately 10-acres of the resulting 15.12-acre parcel to the Mountains Recreation and Conservation Authority in fee title. The project site is located east of Saddlepeak Road, approximately 700 feet southeast of Whitney Road, in the Santa Monica Mountains area of Los Angeles County. The eastern portion of the property extends downslope into Dix Canyon, which contains a riparian corridor. However, none of the approved or proposed building site locations will encroach upon this area of the property.

The purpose of the proposed lot line adjustment is to cluster the three identified development areas for three separate legal parcels, pursuant to the proposed lot line adjustment. The proposed clustering of development areas will serve to greatly reduce adverse impacts to ESHA in comparison to potential development of the three existing parcels in their current configuration. The existing lot configuration is shown in Exhibit 2 and the proposed lot configuration is shown in Exhibit 3. Following are the existing and proposed parcel sizes:

Parcel #	Existing Acreage	Proposed Acreage
1	4.90 acres	2.20 acres
2	4.90 acres	2.70 acres
3	10.22 acres	15.12 acres

Two of the three subject parcels (Parcels 1 and 2) were created through a parcel map (Parcel Map No. 7633). Coastal Development Permit (CDP) No. 5-87-197 (Sisson) was approved by the Commission for this subdivision of a 20-acre parcel into four lots that are approximately 5-acres in size. The other two parcels created by this parcel map are not part of the project proposed in CDP 4-08-075. Residential development has already

been approved by the Commission [CDP 4-08-091 (Cook)] on one of the other parcels. No CDP application has been submitted for development of the last parcel. Grading for an access road or pads was not approved as part of this subdivision permit. However, the locations of future building sites were identified as part of the permit. Further, as part of this approval, a future development deed restriction and an open space deed restriction were required to be recorded across a portion of the site (**Exhibit 5**). The easternmost area of the existing Parcel 2 is part of the open space restricted area. CDP No. 5-87-197 was issued and Parcel Map 7633 was recorded, both in 1989. The third parcel that is part of the proposed project site (existing Parcel 3) is an approximately 10-acre parcel that is directly adjacent to the north property line of the existing Parcel 2.

There is not currently road access to any of the three parcels making up the project site. In order to carry out geologic testing on the project sites, the owners applied for approval and a de minimus waiver (4-07-048-W) was granted for the removal of native vegetation, with no grading along an 800-ft. long temporary access road and revegetation of disturbed areas after testing. This testing was conducted on Parcels 1 and 2, as well as an adjacent parcel that is not part of the subject application.

Parcel Legality

As described above, the existing Parcels 1 and 2 were created through a Parcel Map approved by Los Angeles County and by the Commission in CDP 5-87-197. These approvals were effectuated through the recordation of the parcel map. So, the existing Parcels 1 and 2 are legally created lots. With regard to the existing Parcel 3, the applicants have provided evidence that the parcel was first created by deed in 1921. At that time, the creation of a new parcel by deed did not require approval by the County of Los Angeles, so the creation in this manner was consistent with applicable laws. The County of Los Angeles issued Certificate of Compliance No. 200400050 for this parcel. As such, the existing Parcel 3 is a legally created parcel.

Fee Title Dedication

Prior to the submittal of the subject CDP application, the applicant's representative discussed with Commission staff several development alternatives for the subject parcels. Staff recommended that the applicants attempt to cluster development on the parcels nearer to Saddle Peak Road in order to minimize impacts to ESHA. The possible dedication of the more remote portions of the property to a public agency such as the Mountains Recreation and Conservation Authority (MRCA) was also discussed. The applicants gained approval in concept from Los Angeles County for the lot line adjustment and submitted the subject application in October 2008. The application was determined to be incomplete and additional information was requested from the applicants. Staff indicated to the applicant that the proposed lot line adjustment would cluster development, was generally consistent with the Coastal Act policies, and that staff anticipated recommending approval of the proposal once additional information was provided. The application was determined to be complete in May 2009 and was scheduled for hearing at the October 2009 Commission meeting. Prior to finalizing the

staff report, Commission staff discovered that the applicant had already completed the proposed donation of 10-acres to the MRCA. While the ultimate redivision of the property in question would still result in clustering development and reducing impacts to ESHA, the timing of the fee title dedication in advance of the CDP approval complicated consideration of the proposal. For one, the applicants were, in essence, proposing development involving property in which they no longer had any legal interest. Further, a recommended condition of the subject CDP is the restriction of a portion of the property (including the 10-acres dedicated to the MRCA in fee) for open space. Given the premature dedication, the applicants would have had no legal ability to carry out the required conditions with regard to the 10-acre dedication portion of the site.

Therefore, in order to resolve this matter, staff coordinated with both the applicant's representative and MRCA staff regarding the property and requested the MRCA to be a co-applicant for the subject CDP application. MRCA agreed in concept to the co-application and to the recordation of an open space restriction on the property. The matter was considered and approved by the Governing Board of the MRCA at its meeting of November 4, 2009. As such, both owners of the property considered in the subject application have agreed to be co-applicants and to be bound by the terms and conditions of the CDP.

B. CUMULATIVE IMPACTS AND ENVIRONMENTALLY SENSITIVE HABITAT

Section 30250(a) of the Coastal Act provides that new development must be located within or near existing developed areas able to accommodate it, or in other areas with adequate public services, where it will not have significant adverse effects, either individually or cumulatively, on coastal resources:

New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

Section 30105.5 of the Coastal Act defines the term "cumulatively," as it is used in Section 30250(a), to mean that:

the incremental effects of an individual project shall be reviewed in conjunction with the effects of past projects, the effects of other current projects, and the effects of probable future projects.

Section 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Section **30240** of the Coastal Act protects environmentally sensitive habitat areas (ESHA) by restricting development in and adjacent to ESHA. Section **30240** states:

- (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas.
- (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 such areas, and shall be compatible with the continuance of such habitat areas.

Section **30107.5** of the Coastal Act, defines an environmentally sensitive area as:

"Environmentally sensitive area" means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.

In addition, the Malibu/Santa Monica Mountains LUP provides policy guidance regarding the protection of environmentally sensitive habitats. The Coastal Commission has applied the following relevant policies as guidance in the review of development proposals in the Santa Monica Mountains.

- P57 Designate the following areas as Environmentally Sensitive Habitat Areas (ESHAs): (a) those shown on the Sensitive Environmental Resources Map (Figure 6), and (b) any undesignated areas which meet the criteria and which are identified through the biotic review process or other means, including those oak woodlands and other areas identified by the Department of Fish and Game as being appropriate for ESHA designation.
- Uses shall be permitted in ESHAs, DSRs, Significant Watersheds, and Significant Oak Woodlands, and Wildlife Corridors in accordance with Table I and all other policies of this LCP.
- P68 Environmentally sensitive habitat areas (ESHAs) shall be protected against significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas. Residential use shall not be considered a resource dependent use.
- P69 Development in areas adjacent to environmentally sensitive habitat areas (ESHAs) shall be subject to the review of the Environmental Review Board, shall be sited and designed to prevent impacts which would significantly degrade such areas, and shall be compatible with the continuance of such habitat areas.
- Open space or conservation easements or equivalent measures may be required in order to protect undisturbed watershed cover and riparian areas located on parcels proposed for development.

Where new development is proposed adjacent to Environmentally Sensitive Habitat Areas, open space or conservation easements shall be required in order to protect resources within the ESHA.

- P74 New development shall be located as close as feasible to existing roadways, services, and existing development to minimize the effects on sensitive environmental resources.
- P82 Grading shall be minimized for all new development to ensure the potential negative effects of runoff and erosion on these resources are minimized.
- P84 In disturbed areas, landscape plans shall balance long-term stability and minimization of fuel load. For instance, a combination of taller, deep-rooted plants and low-growing ground covers to reduce heat output may be used. Within ESHAs and Significant Watersheds, native plant species shall be used, consistent with fire safety requirements.

The Commission has consistently emphasized the need to address the cumulative impacts of new development in the Malibu/Santa Monica Mountains area, particularly those of subdivisions, multi-family residential development, and second residential units, all of which result in increased density. It is particularly critical to evaluate the potential cumulative impacts of increased density given the existence of thousands of undeveloped and poorly sited parcels in the mountains that were created decades ago in antiquated subdivisions. The future development of the existing undeveloped parcels in conjunction with any increased density will result in tremendous increases in demands on road capacity, services, recreational facilities, beaches, and associated impacts to water quality, geologic stability and hazards, rural community character, and contribution to fire hazards. In addition, future build-out of many lots located in environmentally sensitive areas will create adverse cumulative impacts on coastal resources.

The Coastal Act requires that new development, including land divisions, be permitted within, contiguous with, or in close proximity to existing developed areas or, if outside such areas, only where public services are adequate and only where public access and coastal resources will not be cumulatively affected by such development. One of the basic goals of the Coastal Act is to concentrate development in or near developed areas able to accommodate it, thereby promoting infilling and avoiding sprawl into areas with significant resource value. Further, the Commission has repeatedly emphasized the need to address the cumulative impacts of new development in the Malibu and Santa Monica Mountains area in past permit actions. The Commission has reviewed land division applications to ensure that newly created or reconfigured parcels are of sufficient size, have access to roads and other utilities, are geologically stable and contain an appropriate potential building pad area where future structures can be developed consistent with the resource protection policies of the Coastal Act. particular, the Commission has ensured that future development on new or reconfigured lots can minimize landform alteration and other visual impacts, and impacts to environmentally sensitive habitat areas. Finally, the Commission has required that all new or reconfigured lots have adequate public services, including road, bridge, and driveway access that meets the requirements of the Fire Department.

The Commission has considered several projects that the applicants and the County of Los Angeles treated as "lot line adjustments" even though they actually resulted in major reconfiguration of lot lines amongst several lots [4-96-28 (Harberger, et. al.) 4-96-150 (Rein, et. al.), 4-96-189 (Flinkman), 4-96-187 (Sohal), 4-04-026 (Malibu Ocean Ranches, Stoney Heights, Creekside), 4-07-028 (Johnson, Gray, Early)]. In these cases, the Commission has considered the proposed projects to actually be "redivisions" or re-subdivisions of land whereby existing property boundary lines are significantly modified to re-divide the project site into wholly reconfigured lots. The Commission has analyzed these proposals just as it analyzes a new subdivision of lots. The Commission has only permitted such re-divisions where adequate fire access and other public services are available and where the resultant lots could be developed minimizing impacts to coastal resources.

The applicants propose to re-divide three existing, legal parcels into three reconfigured parcels. The dedication in fee title of a ten-acre portion of one of the proposed parcels (Parcel 3) to the MRCA is also part of the project description. The proposed re-division will result in no increase in the number of lots or in overall density. Moreover, clustering of the three identified development areas, pursuant to the proposed lot line adjustment, will serve to greatly reduce adverse impacts to ESHA in comparison to potential development of the three existing parcels in their current configuration.

The area where the proposed re-division is located has adequate public services, access, and is able to accommodate new development consistent with the requirements of Section 30250 of the Coastal Act. Below is a summary table of the existing and proposed lot sizes.

Parcel #	Existing Acreage	Proposed Acreage
1	4.90 acres	2.20 acres
2	4.90 acres	2.70 acres
3	10.22 acres	15.12 acres

In past permit actions, the Commission has looked to the land use designations of the 1986 certified Malibu/Santa Monica Mountains Land Use Plan for guidance on the maximum allowable density and intensity of land use that may be permitted in any particular area. Three land use designations apply to the property, which are: Mountain Land, that allows residential development at a maximum density of 1 dwelling unit per 20 acres of land; Rural Land I, that allows 1 unit per 10 acres; and Rural Land II, that allows 1 dwelling unit per 5 acres. As discussed in detail below, the applicant has identified building sites on the three reconfigured parcels that can be developed consistent with the Chapter Three policies of the Coastal Act and there are adequate services to accommodate the newly configured parcels. The redivision will result in no increase in the total number of residences on the three parcels. However, Parcels 1 and 2 will be smaller in size. This reduction in lot size is the result of clustering the development areas on the western portion of the project site and the preservation of the rest of the site for open space and habitat conservation.

Although the subject application does not propose any improvements or physical development on the properties at this time, the applicants have provided conceptual locations for residential development on each of the three reconfigured parcels (**Exhibit** 5). Each of the three conceptual development areas will be less than 10,000 sq. ft. and as sized as follows:

Lot 1	9,600 sq. ft.
Lot 2	9,600 sq. ft.
Lot 3	9,700 sq. ft.

The proposed development areas on the proposed Parcels 2 and 3 are in the same locations as previously approved for the existing parcels created in Parcel Map No. 7633 (CDP 5-87-197). Given the anticipated future development on the subject lots, the proposed re-division has implications for adverse cumulative impacts to sensitive resources, which are discussed in further detail below.

1. Project Description and Site Specific Biological Resource Information

The proposed project site is located on the eastern side of Saddle Peak Road and is within the watershed of Topanga Creek. The eastern portion of the property extends downslope into Dix Canyon, which contains a riparian corridor. However, none of the approved or proposed building site locations will encroach upon this area of the property.

As part of an earlier application on the property (CDP Waiver application 4-07-048-W), the applicant provided biological information about the property. This information indicates that the entire site is vegetated with chaparral habitat and there is an area of oak riparian woodland habitat in the center of the eastern portion of the existing Lot 3. Aerial photographs of the project site indicate that the site is well vegetated and part of a larger contiguous habitat area. There is some minor disturbance in the southwestern portion of Lot 1 where there is a road for an adjacent development to the south and fuel modification for Saddle Peak Road and adjacent development.

2. ESHA Designation on the Project Site

Pursuant to Section **30107.5**, in order to determine whether an area constitutes an ESHA, and is therefore subject to the protections of Section 30240, the Commission must answer three questions:

- 1) Is there a rare species or habitat in the subject area?
- 2) Is there an especially valuable species or habitat in the area, which is determined based on:
 - a) whether any species or habitat that is present has a special nature, OR

- b) whether any species or habitat that is present has a special role in the ecosystem;
- 3) Is any habitat or species that has met either test 1 or test 2 (i.e., that is rare or especially valuable) easily disturbed or degraded by human activities and developments?

If the answers to questions one or two and question three are "yes", the area is ESHA.

The project site is located within the Mediterranean Ecosystem of the Santa Monica Mountains. The Coastal Commission has found that the Mediterranean Ecosystem in the Santa Mountains is rare, and valuable because of its relatively pristine character, physical complexity, and resultant biological diversity. Large, contiguous, relatively pristine areas of native habitats, such as coastal sage scrub, chaparral, oak woodland, and riparian woodland have many special roles in the Mediterranean Ecosystem, including the provision of critical linkages between riparian corridors, the provision of essential habitat for species that require several habitat types during the course of their life histories, the provision of essential habitat for local endemics, the support of rare species, and the reduction of erosion, thereby protecting the water quality of coastal streams. Additional discussion of the special roles of these habitats in the Santa Monica Mountains ecosystem are discussed in the March 25, 2003 memorandum prepared by the Commission's Ecologist, Dr. John Dixon¹ (hereinafter "Dr. Dixon Memorandum"), which is incorporated as if set forth in full herein.

Unfortunately, the native habitats of the Santa Monica Mountains, such as coastal sage scrub, chaparral, oak woodland and riparian woodlands are easily disturbed by human activities. As discussed in the Dr. Dixon Memorandum, development has many welldocumented deleterious effects on natural communities of this sort. environmental impacts may be both direct and indirect and include, but certainly are not limited to, the effects of increased fire frequency, of fuel modification, including vegetation clearance, of introduction of exotic species, and of night lighting. Increased fire frequency alters plant communities by creating conditions that select for some species over others. The removal of native vegetation for fire protection results in the direct removal or thinning of habitat area. Artificial night lighting of development affects plants, aquatic and terrestrial invertebrates, amphibians, fish, birds and mammals. Thus, large, contiguous, relatively pristine areas of native habitats, such as coastal sage scrub, chaparral, oak woodland, and riparian woodlands are especially valuable because of their special roles in the Santa Monica Mountains ecosystem and are easily disturbed by human activity. Accordingly, these habitat types meet the definition of ESHA. This is consistent with the Commission's past findings in support of its actions on many permit applications and in adopting the Malibu LCP².

¹ The March 25, 2003 Memorandum Regarding the Designation of ESHA in the Santa Monica Mountains, prepared by John Dixon, Ph. D, is available on the California Coastal Commission website at http://www.coastal.ca.gov/ventura/smm-esha-memo.pdf

² Revised Findings for the City of Malibu Local Coastal Program (as adopted on September 13, 2002) adopted on February 6, 2003.

As described above, the project site contains pristine chaparral habitat that is part of a large, contiguous block of pristine native vegetation. As discussed above and in the Dr. Dixon Memorandum, this habitat is especially valuable because of its special role in the ecosystem of the Santa Monica Mountains and it is easily disturbed by human activity. Accordingly, the Commission finds that the chaparral habitat on the project site meets the definition of ESHA in the Coastal Act.

3. Resource Dependent Use

The Commission finds that the project site and the surrounding area constitutes an environmentally sensitive habitat area (ESHA). Section 30240 of the Coastal Act restricts development within ESHA to only those uses that are dependent on the resource. Although the applicants do not propose to construct single family residences on the proposed parcels at this time, it must be assumed that such residential development will be proposed at some time in the future. As single-family residences do not have to be located within ESHA to function, single-family residences are not a use dependent on ESHA resources. Section 30240 also requires that ESHA be protected against significant disruption of habitat values. As the eventual construction of residences on the proposed sites will require both the complete removal of ESHA from the development areas and fuel modification for fire protection purposes around them, such development would also significantly disrupt the habitat value in those locations. Application of Section 30240, by itself, would therefore require denial of the construction of residences on the project sites, because that would result in significant disruption of habitat values and residences are not a use dependent on those sensitive habitat resources.

However, the Commission must also consider Section 30010, and the United States Supreme Court's decision in Lucas v. South Carolina Coastal Council (1992) 505 U.S. 1003, 112 S.Ct. 2886. Section 30010 of the Coastal Act provides that the Coastal Act shall not be construed as authorizing the Commission to exercise its power to grant or deny a permit in a manner that will take private property for public use. Application of Section 30010 may overcome the presumption of denial in some instances. subject of what sort of government action results in a "taking" was addressed by the Court in the Lucas case. In Lucas, the Court identified several factors that should be considered in determining whether a proposed government action would result in a taking. For instance, the Court held that where a permit applicant has demonstrated that he or she has a sufficient real property interest in the property to allow the proposed project, and that project denial would deprive his or her property of all economically viable use, then denial of the project by a regulatory agency might result in a taking of the property for public use unless the proposed project would constitute a nuisance under State law. Other Supreme Court precedent establishes that another factor that should be considered is the extent to which a project denial would interfere with reasonable investment-backed expectations.

The Commission interprets Section 30010, together with the *Lucas* decision, to mean that if Commission denial of the project would deprive an applicant's property of all

reasonable economic use, the Commission may be required to allow some development even if a Coastal Act policy would otherwise prohibit it, unless the proposed project would constitute a nuisance under state law. In other words, Section 30240 of the Coastal Act cannot be read to deny all economically beneficial or productive use of land because Section 30240 cannot be interpreted to require the Commission to act in an unconstitutional manner.

As described above, the subject existing parcels were legally created and were designated in the Los Angeles County Land Use Plan for residential use. The Commission approved the creation of two of the three lots as part of a residential parcel map. Residential development has previously been approved by the Commission on sites in the immediate area. At the time the applicants purchased the parcels, the County's certified Land Use Plan did not designate the vegetation on the site as ESHA. Based on these facts, along with the presence of existing and approved residential development in the area, the applicant had reason to believe that it had purchased a parcel on which it would be possible to build a residence.

The Commission finds that in this particular case, other allowable uses for the subject site, such as a recreational park or a nature preserve, are not feasible and would not provide the owner an economic return on the investment. There is currently no offer to purchase the property from any public park agency. The Commission thus concludes that in this particular case there is no viable alternative use for the sites other than residential development. The Commission finds, therefore, that outright denial of all residential use on the project sites would interfere with reasonable investment-backed expectations and deprive the property of all reasonable economic use.

Next the Commission turns to the question of nuisance. There is no evidence that construction of residences on the project site would create a nuisance under California law. Other houses have been constructed in similar situations in similar habitat areas in Los Angeles County, apparently without the creation of nuisances. The County's Health Department has not reported evidence of septic system failures. Furthermore, the use that is proposed is residential, rather than, for example, industrial, which might create noise or odors or otherwise create a public nuisance.

In conclusion, the Commission finds that, notwithstanding Section 30240, an eventual residential project on the subject properties would be allowed to permit the applicants a reasonable economic use of their properties consistent with Section 30010 of the Coastal Act.

4. Siting and Design Alternatives to Minimize Significant Disruption of Habitat Values

While the applicant is entitled under Section 30010 to an assurance that the Commission will not act in such a way as to "take" the property, this section does not authorize the Commission to avoid application of the policies of the Coastal Act, including Section 30240, altogether. Instead, the Commission is only directed to avoid construing these policies in a way that would take property. Aside from this instruction,

the Commission is still otherwise directed to enforce the requirements of the Act. Therefore, in evaluating the eventual residential development of the proposed project sites, the Commission must still assure compliance with Section 30240 by avoiding impacts that would significantly disrupt and/or degrade environmentally sensitive habitat, to the extent this can be done without taking the property.

Obviously, the construction of residential developments, including vegetation removal for both the development area as well as required fuel modification, grading, construction of a residence and accessory structures, and the use of the development by residents will result in unavoidable loss of ESHA. The development can be sited and designed to minimize ESHA impacts by measures that include but are not limited to: limiting the size of structures, limiting the number of accessory structures and uses, clustering structures, siting development in any existing disturbed habitat areas rather than undisturbed habitat areas, locating development as close to existing roads and public services as feasible, and locating structures near other residences in order to minimize additional fuel modification.

In this case, siting and design alternatives have been considered in order to identify the alternative that can avoid and minimize impacts to ESHA to the greatest extent feasible. In past permit actions, the Commission has allowed up to 10,000 sq. ft. of development area for a residence on a parcel zoned for residential development in this area of the Santa Monica Mountains to avoid a taking of property. As detailed above, the conceptual development areas for the three proposed parcels conform to the maximum development area of 10,000 sq. ft.

As previously described, the eventual building site locations for the existing Parcels 1 and 2 were identified as part of the Commission's approval of CDP 5-87-197 for Parcel Map 7633. These building sites are shown on the recorded parcel map (Exhibit 7). These building sites would be accessed through a shared access road from Saddle Peak Road (This road would also provide access to one of the other two parcels created by Parcel Map 7633). Although the Commission has not considered any CDP application for development of the existing Parcel 3, any location for a building site would require the development of a lengthy access road. The applicant has provided a copy of an alternative site/plan grading plan that was designed to provide an access road to existing Parcel 3, using the Parcel 1 and 2 shared driveway location and extending the road to a building site location on Parcel 3. This potential building site location is relatively near to the southern property line of Parcel 3. Since the dirt road on site ends at Parcel 2, more than 1000 feet of additional road would have been necessary to access Parcel 3. This would require a significant amount of grading, landform alteration, and habitat removal. It is possible that there are alternative designs for an access road and building site to Parcel 3 that could reduce impacts somewhat, but not substantially given the existing parcel configuration and lack of existing road access.

However, in response to direction from Commission staff, the applicant developed the proposed lot reconfiguration to cluster the three development areas. As now proposed by the applicant, the new parcel configuration would eliminate the necessity for an

access road beyond Parcel 2, along with any grading, landform alteration, and habitat removal (although it should be noted that eventual development of an existing parcel adjacent to Parcel 2 that was also created in Parcel Map 7633 would probably include an extension of the shared access road to the building site on that parcel). The proposed parcel configuration would result in the location of a development area on the proposed Parcel 1 directly adjacent to Saddle Peak Road which the applicant has indicated would be no larger than 10,000 sq. ft. and would require no more than minimal grading to develop. This proposed building site is located within the area of the site that has been disturbed by fuel modification. The proposed reconfiguration would also result in an approximately 9,600 sq. ft. development area that is located on the Proposed Parcel 2 in the same as that previously approved for the existing Parcel 1. Finally, the proposed parcel reconfiguration would locate a development area (approximately 9,700 sq. ft.) on the proposed Parcel 3 that is in the same place as the building site previously approved on the existing Parcel 2.

In this way, three development areas would be clustered on the western portion of the project site, nearest to Saddle Peak Road. This would result in a shorter, shared access road for all three sites. Further, the clustered development areas will obtain some overlap of required fuel modification areas when the proposed sites are developed with residences. The overlap will occur not only between the proposed three sites, but also with existing and proposed residential development on adjacent parcels. Further, the proposed parcel reconfiguration will result in there being no development on the eastern portion of the project site. This will result in clustering development in the area of the site closest to existing roads and other development, while preventing development on the more sensitive eastern area which is contiguous with a large ESHA area. Finally, 10-acres of the project site will be held by the MRCA, permanently preserving the habitat values of that area. As such, the Commission concludes that the proposed reconfiguration of the existing parcels will allow for future siting and design of residential development on each site that will minimize impacts to ESHA to the extent feasible.

5. Open Space Restriction

The cumulative impacts of development on all existing legal lots containing ESHA in the Santa Monica Mountains, including the impacts from the fuel modification that is required by the Fire Department in conjunction with such development and/or brushing, is substantial. As discussed above, these adverse impacts to ESHA can be reduced by considering project alternatives and mitigation measures, but they cannot be completely avoided. The proposed re-division would allow the future development sites on each of the three new parcels to minimize the amount of new fuel modification required. The sites have been clustered within development areas of less than 10,000 sq. ft and are located where required fuel modification will overlap. However, even with these measures, the proposed re-division will result in unavoidable impacts to ESHA. To find consistency with Section 30240 of the Coastal Act to the maximum extent feasible, the remaining ESHA on the property must be preserved in perpetuity.

As such, the approved project alternative, will minimize impacts to ESHA to the maximum extent feasible if the remaining ESHA on the project site is protected as open space. The donation of approximately 10-acres of land (existing Parcel 3) to the Mountains Recreation and Conservation Authority (MRCA) is included as part of the project. As discussed below, it is necessary to require that this land be deed restricted to ensure that it is preserved for open space and habitat conservation purposes.

The Commission has found, in past permit actions that the most effective way to assure ESHA preservation on the site is the granting of an open space conservation easement to the Mountains Recreation and Conservation Authority (MRCA). The MRCA accepts and monitors open space easements over larger areas of land to ensure the preservation of ESHA. However, in this case, an open space deed restriction is more appropriate for several reasons. As part of the previous approval of Parcel Map 7633, open space deed restrictions were required over an eastern portion of the property, including the eastern area of the existing Parcel 2. Approximately 10 acres of Parcel 3 was dedicated to the MRCA in fee title as part of the project. It is not possible for the MRCA to hold an open space conservation easement across this 10-acre area and to own the land in fee title. So, it is necessary to require the applicant to record an open space restriction over the 10-acres. Finally, the remaining areas outside the previously restricted area and the donation area are relatively small in size and the Commission finds it appropriate to require the applicants to limit development over this open space area (shown in **Exhibit 6)** through an open space restriction. The open space restriction will ensure that development within the open space area must be limited to: approved fuel modification and drainage control activities; planting of native vegetation and other restoration activities; and construction and maintenance of public hiking trails, if approved by the Commission as an amendment to this coastal development permit, or as a new coastal development permit, and the use of existing easements. To implement the open space restriction, the co-applicants are required to record a deed restriction that imposes the terms and conditions of this permit, including the open space restriction (along with a legal description and graphic depiction of the open space area) as restrictions on use and enjoyment of each property and thereby provides any prospective purchaser of the site with recorded notice that the restrictions are imposed on the subject properties. Only as so conditioned, will the proposed project minimize impacts to ESHA, pursuant to Section 30240 of the Coastal Act.

The following special conditions are required, as determined in the findings above, to assure the project's consistency with Section 30240 of the Coastal Act:

Special Condition 1. Deed RestrictionSpecial Condition 2. Open Space Restriction

For the reasons set forth above, the Commission finds that the proposed project, as conditioned, is consistent with Section 30240 of the Coastal Act.

C. VISUAL RESOURCES

Section **30251** of the Coastal Act states:

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

The proposed project site is comprised of three existing parcels located on the east side of Saddle Peak Road, and west of Tuna Canyon Road in the Santa Monica Mountains. The proposed project area is located within a rural area characterized by expansive, naturally vegetated mountains and hillsides. The proposed development will be visible from portions of Saddle Peak Road, but will not be visible from public lands or trails in the area.

The applicant's proposed new parcel configuration would eliminate the necessity for an access road beyond the existing Parcel 2, along with any grading, landform alteration, and habitat removal (although it should be noted that eventual development of an existing parcel adjacent to the existing Parcel 2 that was also created in Parcel Map 7633 would probably include an extension of the shared access road to the building site on that parcel). The proposed parcel configuration would result in the location of a development area on the proposed Parcel 1 directly adjacent to Saddle Peak Road which the applicant has indicated would be no larger than 10,000 sq. ft. and would require no more than minimal grading to develop. This proposed building site is located within the area of the site that has been disturbed by fuel modification. The proposed reconfiguration would also result in an approximately 9,600 sq. ft. development area that is located on the Proposed Parcel 2 in the same location as that previously approved for the Existing Parcel 1. Finally, the proposed parcel reconfiguration would locate a development area (approximately 9,700 sq. ft.) on the proposed Parcel 3 that is in the same place as the building site previously approved on the existing Parcel 2.

In this way, three development areas would be clustered on the western portion of the project site, nearest to Saddle Peak Road. This would result in a much shorter, shared access road for all three sites. The reconfiguration will greatly reduce the amount of grading and landform alteration necessary to provide vehicular access to any future development. Additionally, the clustered development areas will obtain some overlap of required fuel modification areas when the proposed sites are developed with residences. The overlap will occur not only between the proposed three sites, but also with existing and proposed residential development on adjacent parcels. Overlapping fuel modification will reduce the visual impacts that result from the alteration of natural vegetation.

The development area for each proposed parcel does not exceed the maximum development area of 10,000 sq. ft. that the Commission has previously found to minimize impacts to visual resources in similar situations on sites that are in highly scenic areas. Further, the areas of the site outside of the road, driveways, development area and irrigated fuel modification (Zone B) for each parcel will be preserved through the granting of an open space conservation restriction, which will ensure that the visual quality of this area is protected. While the siting of development on the three proposed parcels ensures that impacts to visual resources are minimized, the Commission will still have to review the design of the proposed structures on each of the three parcels created in this permit for compliance with Section 30251 of the Coastal Act.

The following special conditions are required to assure the project's consistency with Section 30251 of the Coastal Act:

Special Condition 1. Deed Restriction

Special Condition 2. Open Space Restriction

For the reasons set forth above, the Commission finds that the proposed project, as conditioned, is consistent with Section 30251 of the Coastal Act.

D. LOCAL COASTAL PROGRAM PREPARATION

Section 30604(a) of the Coastal Act states:

a) Prior to certification of the local coastal program, a coastal development permit shall be issued if the issuing agency, or the commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a local coastal program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200).

Section 30604(a) of the Coastal Act provides that the Commission shall issue a Coastal Development Permit only if the project will not prejudice the ability of the local government having jurisdiction to prepare a Local Coastal Program, which conforms to Chapter 3 policies of the Coastal Act. The preceding sections provide findings that the proposed projects will be in conformity with the provisions of Chapter 3 if certain conditions are incorporated into the projects and are accepted by the applicant. As conditioned, the proposed development will avoid or minimize adverse impacts and is found to be consistent with the applicable policies contained in Chapter 3. The following special conditions are required to assure the project's consistency with Section 30604 of the Coastal Act:

Special Conditions 1 and 2

Therefore, the Commission finds that approval of the proposed development, as conditioned, will not prejudice the County of Los Angeles' ability to prepare a Local Coastal Program for this area which is also consistent with the policies of Chapter 3 of the Coastal Act, as required by Section 30604(a).

E. CALIFORNIA ENVIRONMENTAL QUALITY ACT

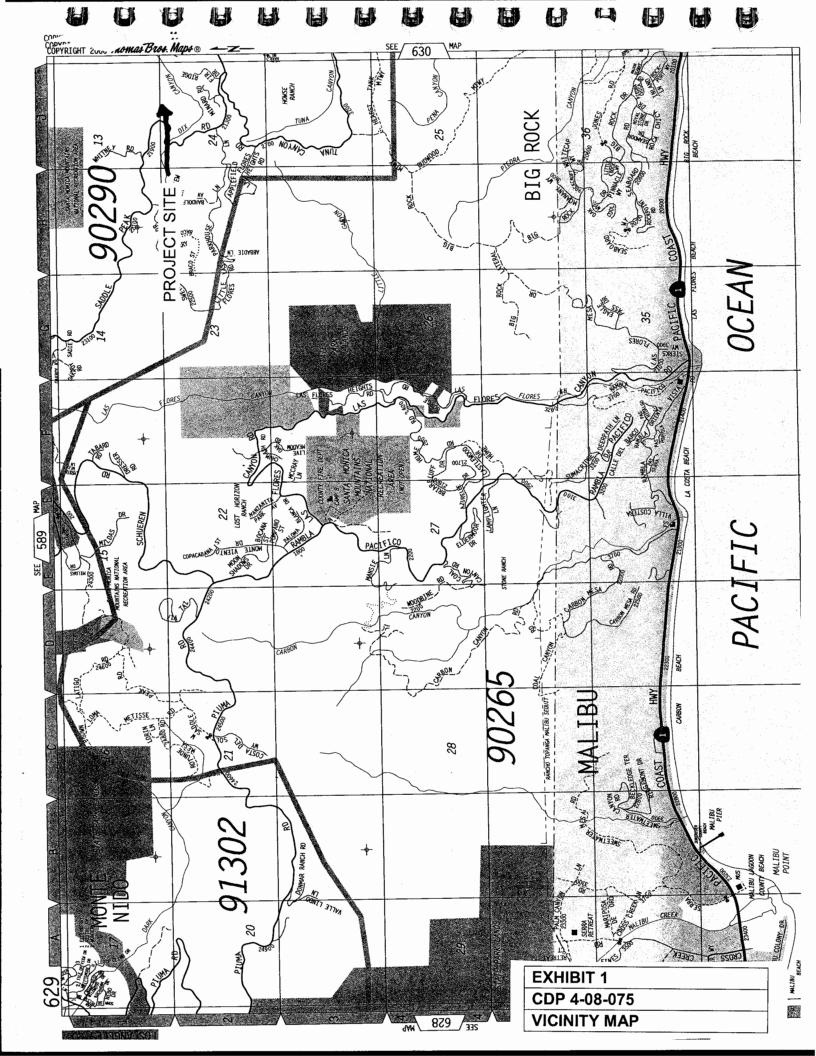
Section 13096(a) of the Commission's administrative regulations requires Commission approval of a Coastal Development Permit application to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (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 that the activity may have on the environment.

The Commission incorporates its findings on Coastal Act consistency at this point as if set forth in full. These findings address and respond to all public comments regarding potential significant adverse environmental effects of the project that were received prior to preparation of the staff report. As discussed in detail above, project alternatives and mitigation measures have been considered and incorporated into the project. Five types of mitigation actions include those that are intended to avoid, minimize, rectify, reduce, or compensate for significant impacts of development. Mitigation measures required as part of this coastal development permit include the avoidance of impacts to ESHA through clustering structures, and by prohibiting development outside of the approved development area as required by recording an open space deed restriction.

The following special conditions are required to assure the project's consistency with Section 13096 of the California Code of Regulations:

Special Conditions 1 and 2

As conditioned, there are no feasible alternatives or feasible mitigation measures available, beyond those required, which would substantially lessen any significant adverse impact that the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, can be found to be consistent with the requirements of the Coastal Act to conform to CEQA.



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