

CALIFORNIA COASTAL COMMISSION

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Staff Report: May 29, 2002
Hearing Date: June 11, 2002
Commission Action:

STAFF REPORT: PERMIT AMENDMENT**AMENDMENT****APPLICATION NUMBER: A-381-78-A13**

APPLICANTS: Headlands Properties Associates -
Metropolitan Life Insurance Company;
Joseph Fryzer

AGENT: VTN West, Inc.
Mark Allen

PROJECT LOCATION: Lot G (a dedicated open space lot), Lot 41 Tract 32184 (an interior tract open space lot), and 16670 Calle Allicante (Lot 81 Tract 32184 – a private lot with an existing single family home), Pacific Palisades, City of Los Angeles

DESCRIPTION OF PROJECT PREVIOUSLY APPROVED (A-381-78 as amended):

Permit #A-381-78 was approved in 1979 for grading, roads, and utilities to accommodate a 230 unit residential tract and the creation of an Urban Limit Line around the development. This permit (A-381-78-A) was amended on May 21, 1980, which authorized four tracts, established the total number of dwelling units at 740, created an extended Urban Limit Line, allowed massive grading for roadways and building pads within that Urban Limit Line, authorized the construction of a church (described as an "institutional site") and two sites for commercial development (2 acre total), and required the dedication in fee of approximately 1,000 acres of public open space, the area outside the Urban Limit Line, to State Parks, the City of Los Angeles Department of Recreation and Parks, and/or a private, non-profit corporation acceptable to the Executive Director. Eight additional amendments were approved by the Commission as described below.

DESCRIPTION OF AMENDMENT (A-381-78-A13):

Demolition of an existing, unpermitted, 1,040 cubic yard capacity debris basin by removal of a concrete lining and filling of the basin hole, and creation of a flat pad area and a separate, 673 cubic yard capacity debris basin with retaining and deflection walls, predominantly located outside a designated urban limit line (established in the original Permit as modified in subsequent amends. The total

project involves removal of 940 cubic yards of earth, import of 942 cubic yards of earth, and placement of 1,882 cubic yards of fill (1,040 for fill of existing debris basin and 842 for creation of new debris basin).

SUMMARY OF STAFF RECOMMENDATION:

The applicants are requesting after-the-fact approval for the partial demolition (by removing the lining and filling in approximately half of its capacity) of an unpermitted debris basin located on portions of Lot G, Lot 41 Tract 32184, and 16670 Calle Allicante (Lot 81 Tract 32184). The applicants are also proposing new development in this amendment application that consists of (1) filling the remaining portion of the existing debris basin to create a somewhat flat pad area, (2) fashioning a new debris basin with the capacity to hold 673 cubic yards of debris, and (3) the construction of retaining and deflection walls to direct water runoff to the storm drain system. The proposed project is located in the Palisades Highlands area of the Pacific Palisades in the City of Los Angeles. The Commission has not certified a Local Coastal Program for the Pacific Palisades; therefore, the standard of review is the policies in Chapter 3 of the Coastal Act (Cal. Pub. Res. Code §§ 30200 *et seq.*). In order to approve this amendment application, the Commission must find this project consistent with the policies within the Coastal Act. The key issues before the Commission in this amendment request are landform alteration, the importance of preserving scenic resources, the cumulative effect of precedent setting development outside the established urban limit line, and consistency with a prior permit action that limits the type of development outside an established urban limit line. Staff recommends that the Commission **DENY** the proposed project.

The hillside surrounding the proposed project as well as most of the land on which the proposed development would occur is deed restricted to prevent further division of land and development (with some exceptions as indicated in Condition 1.C. of the first amendment) outside the established Urban Limit Line for any purpose other than a park purpose. Only a small portion of land on which the proposed development would occur is located within the urban limit line, where the subject permit, as modified in subsequent amendments, has allowed grading to occur. The Urban Limit Line and dedications and restrictions imposed and carried out by Headlands Properties Associates were required to mitigate the underlying 740-unit project's (A-381-78 as amended) impacts on resources protected by Sections 30250, 30251, 30253, 30210 and 30223 of the Coastal Act.

As previously stated, a majority of the proposed development would be located outside the Urban Limit Line established by Permit A-381-78 as amended, which created the subdivision on which Lot 41 (an interior open space Lot owned by Headlands Properties Associates), Lot 81 (16670 Calle Allicante owned by Joseph Fryzer), and Lot G (land outside the urban limit line dedicated for open space and partially owned by Headlands Properties Associates) are located (Exhibit #3). Permit A-381-78A allowed the subdivision of 1200 acres for 740 dwelling units but limited structural development outside the Urban Limit Line to the construction of "paved or unpaved pathways and other incidental

improvements for low intensity recreation" and (under certain circumstances) "minor facilities to provide public or utility services" (Exhibit #14). The Commission required the applicant to dedicate the area outside the urban limit line to State Parks (or, as later amended (A-381-78-A7), to either State Parks, a private non-profit organization approved by the Executive Director, or to the City of Los Angeles Department of Recreation and Parks) and also to deed restrict the land to "[p]revent development outside the urban limit line except as permitted by this permit of for park purposes" (Condition 3.b.). The findings for A-381-78A state "[f]or it is only with the dedication of these lands for permanent preservation of visual ad (sic) landform resources and for public recreational use that the Commission can find the development of the four tracts on the balance most protective of significant coastal resources."

The original Permit A-381-78 authorized the building sites for a 230 unit residential tract. . At the time of the approval, there were proposals forthcoming to create a total of 2,200 residential units. The first amendment expanded the permitted number of dwelling units to 740 with an expanded Urban Limit Line. The findings for the first amended permit state, "[t]he project would result in permanent alteration of approximately 145 acres of the 185 acres in Tract 31935 and 32184. A firm Urban Limit Line is to be established with permanently preserved buffer areas designed to protect the integrity of the local wildlife systems from both construction and residential impacts" (emphasis added).

In the ninth amendment, approved in 1987, Palisades Resources and Headlands Properties, Inc., the previous owner, applied for an amendment to adjust the urban limit line because reconstructive grading was necessary to prevent landslides from occurring along the portion of its property that lay closest to Temescal Ridge. This Urban Limit Line around Tract 32184 was expanded to allow for the safety of the proposed tract. In addition, the applicant requested an expansion to compensate for the loss of lots in other tracts and to reach the total build-out of 740 units permitted under the original permit as amended, allowing development of single family homes and condos further up the sloped areas.

Section 13166(a) of title 14 of the California Code of Regulations states:

The executive director shall reject an application for an amendment to an approved permit if he or she determines that the proposed amendment would lessen or avoid the intended effect of an approved or conditionally approved permit unless the applicant presents newly discovered material information, which he could not, with reasonable diligence, have discovered and produced before the permit was granted.

The proposed project would be located outside the established urban limit line, in an area dedicated for scenic habitat and public recreation. Commission staff concluded that this proposal would lessen or avoid the intended effect of the approved permit in that it would involve grading and structural development outside the urban limit line (in conflict with the

limitations on such actions contained in Condition 1, the purpose of the dedication contained in Condition 2, and the restrictions listed in condition 3b, of the permit). However, Commission staff did not reject this permit amendment application because the applicant presented new, material information regarding the need for drainage devices in this area to protect public safety, and because the applicant claimed that this information was not previously known and could not, with reasonable diligence, have been discovered and produced before the permit was granted.

The existing debris basin is unpermitted. It was constructed and homes were then built in the vicinity of it. Therefore, the building pads and existing homes have limited the potential location of any debris basin in this area. However, staff is recommending that the Commission deny the proposed project on the grounds that there are less damaging alternatives that could be found consistent with the Chapter 3 policies of the Coastal Act and could protect public safety.

As submitted, the proposed project is primarily inconsistent with Sections 30240 and 30251 of the Coastal Act. The proposed project is located adjacent to and on land that was conditioned against most forms of grading and development, dedicated as open space and deed restricted, as required in the original Permit, A-381-78 as amended.

LOCAL APPROVALS RECEIVED:

1. City of Los Angeles Planning Department, Approval In Concept No. 2001-3164, June 27, 2001
2. City of Los Angeles, Department of Building and Safety, Log #31393, July 28, 2000
3. City of Los Angeles, Department of Building and Safety, Log #32870-01, May 9, 2001

SUBSTANTIVE FILE DOCUMENTS:

1. Coastal Development Permit #A-381-78 as amended
2. Coastal Development Permit 5-01-190 (Calvary Church of Pacific Palisades)
3. Hydrology-Hydraulic Study Project No. 4344, L. Liston & Associates, Inc., June 28, 2000
4. Geologic and Geotechnical Engineering Report No. 1201C-84-81-VN, as updated,
5. Letter to Mr. Joseph Fryzer from Commission staff, September 4, 2001
6. Exhibit #1 of the staff report was taken on November 13, 2001, from an extension of a drainage culvert off Temescal Canyon Trail on Lot 41. The Exhibit shows an approximation of the partially filled, unpermitted debris basin, Lot G, Lot 41, and Lot 81. These approximations were gathered from the applicants' geology and soils reports, submitted plans, and discussions with the applicants (shown on Exhibit #3 thru #7). 35 color copies of Exhibit #1 are included for Commissioners, Commission staff, and the applicants. All other copies will be in black and white print.

STAFF RECOMMENDATION:

I. STAFF RECOMMENDATION OF DENIAL

Staff recommends that the Commission reject the following motion and thereby adopt the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

MOTION:

I move that the Commission approve the proposed amendment to Coastal Development Permit No. A-381-78 for the development as proposed by the applicant.

STAFF RECOMMENDATION OF DENIAL:

Staff recommends a **NO** vote. Failure of this motion will result in denial of the permit amendment and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY A PERMIT AMENDMENT:

The Commission hereby **DENIES** the proposed amendment to the coastal development permit on the ground that the development, as amended, will not conform with the policies of Chapter 3 of the Coastal Act and will 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 would not comply with the California Environmental Quality Act because there are feasible mitigation measures or alternatives that would substantially lessen the significant adverse impacts of the development on the environment.

PROCEDURAL NOTE

A. Coastal Development Permit Amendments

The Commission's regulations provide for referral of permit amendment requests to the Commission if:

- 1) The Executive Director determines that the proposed amendment is a material change,
- 2) Objection is made to the Executive Director's determination of immateriality, or

- 3) The proposed amendment affects conditions required for the purpose of protecting a coastal resource or coastal access.

If the applicant or objector so requests, the Commission shall make an independent determination as to whether the proposed amendment is material. 14 Cal. Admin. Code 13166.

The subject application is being forwarded to the Commission because the Executive Director has determined that the proposed amendment is a material change and affects conditions required for the purposes of protecting coastal resources or coastal access.

Staff Note

Section 30600(b)(1) of the Coastal Act allows local governments to assume permitting authority prior to certification of a Local Coastal Program. Under this section, a local government may establish procedures for the filing, processing, review, and modification, approval, or denial of coastal development permits within its area of jurisdiction in the coastal zone. Section 30601 establishes that in certain areas, and in the case of certain projects, a permit from both the Commission and local government will be required. Section 30602 states that any action taken by a local government on a coastal development permit application prior to certification of the government's local coastal program can be appealed to the Commission by the Executive Director of the Commission, any person, or any two members of the Commission within 20 working days from the receipt of the notice of City action.

In 1978, the City of Los Angeles opted to issue its own Coastal Development Permits. The Commission staff prepared maps that indicate the area of Los Angeles in which Coastal Development Permits from both the Commission and the City are required. This area is commonly known as the "Dual Permit Jurisdiction." Areas in the Los Angeles coastal zone outside the dual permit jurisdiction are known as the "Single Permit Jurisdiction". The City assumes permit jurisdiction for projects located in the single permit jurisdiction, with some exceptions. This project (A-381-78-A13) is located within the "Single Permit Jurisdiction". The City, however, opted not to issue a local coastal development permit amendment because of the issues pertaining to the underlying Permit A-381-78 and its issuance and amendment by the Commission. Therefore, the City issued Approval In Concept No. 2001-3164 and directed the applicant to the South Coast District of the Coastal Commission.

IV. FINDINGS AND DECLARATIONS:

The Commission hereby finds and declares:

A. Project Description and Location

The proposed project is for the demolition of an unpermitted debris basin (by removal of its lining and filling in the hole) located on portions of Lot G, Lot 41 Tract 32184, and 16670 Calle Allicante (Lot 81 Tract 32184) (Exhibit #1 thru #3). The application seeks both after-the-fact authorization for work already completed (the removal of the lining and partial filling of the whole), as well as authorization for new development consisting of filling in the remainder of the existing debris basin, creating a relatively flat pad, creating a new debris basin with the capacity to hold 673 cubic yards of debris, and the construction of retaining and deflection walls to direct water runoff to the storm drain system (Exhibit #5). The proposed fill of the existing unpermitted basin would, in effect, create a relatively flat pad-like area extending from Lot 81 (owned by Joseph Fryzer) through portions of Lot 41 (a deed restricted interior open space lot) and portions of Lot G (a 206.8 acre parcel that was dedicated and deed restricted for open space).

The proposed project is located in the Palisades Highlands area of the Pacific Palisades in the City of Los Angeles (Exhibit #2 & #3). The project site is located in the southern portion of the Santa Monica Mountains on lands that are adjacent to Topanga State Park. The existing debris basin is located at the head of a canyon that was partially filled during the grading of the subdivision, at approximately elevation 1,530 (Exhibit #4 & #5). Northeast of the subject area, the slope rises to a peak at elevation 1,687 and east-southeast to a peak at elevation 1,674 (Exhibit #4). These peaks are a part of the Temescal Ridge, a prominent ridgeline in Topanga State Park and the Santa Monica Mountains. Downslope and south of the project location is the continuation of Tract 32184, which follows the subject canyon to the edge of the subdivision. West of the project location is the bulk of Tract 32184 (Exhibit #3). Within Tract 32184 and directly east of Mr. Fryzer's Lot 81, is Lot 41. The land encompassing Lot 40, 41, 42, and 43 (shown on Exhibit #3) was originally located outside the Urban Limit Line (Exhibit #14).

In 1987, Palisades Resources, the previous owner, applied for an amendment (A-381-78-A9) to adjust the urban limit line because reconstructive grading was necessary to prevent landslides from occurring along the portion of its property that lay closest to Temescal Ridge (A-381-78A9). The City of Los Angeles Department of Building and Safety had required this land to be excavated, benched and recompacted to prevent any possibility of landslides resulting from the adverse bedding planes that underlay the land north of the then tract boundary. The Commission approved that grading and an adjustment of the urban limit line, consistent with two exhibits prepared by the Palisades Resources, PH87-4 and PH87-14. The adjustment pushed out the Urban Limit Line further into previously deed restricted area, creating Lots 40, 41, 42 and 43 in land that was previously identified as portions of Lots E and G, public open space. Lot 41 is directly related to the proposed

project in that the strip of Lot 41 separating Lot 81 and Lot G would be graded and leveled to approximately match Mr. Fryzer's Lot 81.

Under the original Permit, A-381-78A, all lands located outside the Urban Limit Line were to be dedicated to the State of California for public open space and park purposes (Exhibit #14). Condition No. 2 of the seventh amendment to the original permit allowed the Offers of Dedication of this area outside the Urban Limit Line (Tract 32184 boundary) to include the City of Los Angeles or other private, non-profit association as recipients of the public open space land. This was requested and the Commission approved the change to Condition No. 2 because the State would not accept the lands unless an organization or agency maintained a 200-foot fire buffer between residential structures and the State Park land. The total area offered to the City of Los Angeles, Department of Recreation and Parks for public open space and park purposes was 400.46 acres. The 400.46 acres would act as a buffer between the State Park and the built out subdivision. The City Department of Recreation and Parks accepted 108.46 acres located south of Santa Ynez Canyon Park and adjacent to Palisades Drive. However, the City did not, at that time, accept the additional 292 acres near the ridgeline but did plan for the future acceptance of this property (as further described in the below section) (Exhibit #12). The subject property is located primarily within portions of the remaining 292 acres that were not, at the time, accepted by the City.

Both the area offered to the City of Los Angeles Department of Recreation and Parks and the area dedicated and accepted by to the State of California to expand Topanga State Park are a part of Lot G (Exhibit #3). The proposed project is located partially on Lot 41 (an interior open space lot maintained by the homeowner's association- Headlands Properties Associates) and the portion of Lot G that was offered to the City of Los Angeles, Department of Recreation and Parks for public open space and park purposes, but deeded to Headlands Properties Associates.

B. History of Underlying Permit A-381-78

The Commission granted Permit A-381-78 to Headlands Properties¹ in 1979 for grading, roads and utilities to accommodate a 230 unit residential tract within an Urban Limit Line in the Santa Monica Mountains, in a then undeveloped 1200-acre holding in the Pacific Palisades District of the City of Los Angeles.

A-381-78A (Exhibit #14)

In a 1980 amendment to the Permit, A-381-78A, the Commission approved four tracts, established the total number of dwelling units at 740, allowed massive grading within an expanded Urban Limit Line, the construction of a church (described as an "institutional site"), two sites for commercial development (2 acre total), and required the dedication in fee of approximately 1,000 acres of public open space, the area outside the Urban Limit

¹ Headlands is also known as Palisades Resources, Palisades Highlands and Gateway Corporation

Line, to State Parks². In approving the amended project A-381-78A, the Commission found that:

The major issues in its previous action July 1979 were: the density of the project as it affected the traffic impact on access to the coast, the extent of grading and alteration of natural landforms as it affected scenic habitat and recreational resources and the provision of housing opportunities for persons of low and moderate incomes. Approval of this amendment authorizes an increase in the number of units.... In all cases the balance of the 968 acre Phase II site would be either dedicated as open space or dedicated for park purposes.

The Commission required the Urban Limit Line to assure consistency of the underlying project with Sections 30210, 30223, 30230, 30231, 30240, 30250 30251 and 30252 of the Coastal Act, in order to consolidate massive grading in one part of the 1200 acre site and to protect public views, land forms, public recreational opportunities and habitat outside the disturbed area. Condition No. 3 of A-381-78A required the applicant to record a deed restriction applicable to all lands outside the urban limit line along with the recordation of all tracts to restrict the use of all lands outside this area. The deed restriction required by this condition would prevent further subdivision of lands except for park purposes (Condition 3a) and prevent development outside the urban limit line "except as permitted by the permit or for park purposes" (Condition 3b). The recorded deed restriction applies to Lot G in this amendment application.

Condition 1(a) stated that all "grading, structural development, and subdivided lots shall be located entirely within the urban limit line," and Condition 1(c) created some limited exceptions to that prohibition, stating in part that "outside of the Urban Limit Line: minor grading may be performed to re-contour previously graded land; paved or unpaved pathways and other incidental improvements for low intensity recreation may be constructed . . .".

The first amendment A-381-78A expanded the Urban Limit Line established in the original action. The objective of the conditions within the first amendment was to protect scenic habitat and recreational resources and local wildlife systems (pgs.9-10, A-381-78-A Revised Findings). Condition 2 required the applicant, as it recorded the four tracts, to dedicate the land outside the Urban Limit Line in fee to the California Department of Parks and Recreation, and in the meantime, restricted its use to protect land from grading and development and to mitigate the demand that this new development would put on existing coastal and mountain recreational facilities.

² In 1979 in approving A-381-78, the Commission approved 230 units; in 1980 in approving A-381-78A the Commission approved four tracts and 740 units. In that action the Commission required the dedications and established the ULL. The urban limit line has been extended twice since. Once to accommodate Calvary Church and it's required buttress fills for geological mitigation (A-381-78-A6) and once to respond to geological problems near Temescal Ridge (A-381-78-A9), which is above the subject site.

The Revised Findings further explained the purpose of the dedication, and indicated emphatically that the purpose of the dedication was to provide public land for "public recreational use" (Revised Findings A-381-78A, p.8.) Based on the clarification in the findings, and given that the land was dedicated to a *public* entity the only allowable use of the land, except for open space, is as a *public park*.

A-381-78-A2

On June 18, 1980, the Commission authorized the construction of a 25,000 square foot commercial building with 175 parking spaces on Parcel Map 5371. The amendment also authorized the construction of a single-family residence on Parcel Map 3947 located north of Tract 32200. These parcels are not located in the vicinity of the proposed project, A-381-78-A13.

A-381-78-A3

This amendment was based upon preliminary architectural plans prepared for the site subsequent to authorization of A-381-78-A that were not available at that time.

A-381-78-A4

This amendment was approved by the commission on July 22, 1980 and authorized the construction of a church and school with a 158-car parking lot. The deed restrictions required in the first amendment were recorded soon after this fourth amendment.

A-381-78-A5

On August 27, 1985, the Commission denied a request to modify the affordable housing condition included in the May 21, 1980 approval.

A-381-78-A6

On December 11, 1986, the Commission approved the sixth amendment for minor adjustments to the Urban Limit Line near the church site and additional grading for buttress fills to mitigate for geologic instability. This reduced the area of dedication for park purposes by 7 acres and approved the dedication of Lots A and B (additional open space lots outside of the Urban Limit Line) to the City of Los Angeles in lieu of the State of California. The amendment included changes to the construction of the church and required conditions to include additional parking and limited the church-related development to only the "institutional" site.

A-381-78-A7

On December 12, 1987, the Commission authorized the applicant, Headland Properties, to extend the date of the applicant's obligation to dedicate all the land outside the Urban Limit Line from May 21, 1987 to May 21, 1994. The original seven-year time limit for the dedication was established in Condition 2.e. of Permit A-381-78-A. The seven-year time was extended because the State, who the applicant was originally required to dedicate all the land to, was not willing to accept lands within approximately 200 feet of the subdivision. The additional seven years was to allow the applicant more time to offer the

land to another agency or organization. In addition, Condition 2 was modified under the authorization of the seventh amendment to permit the Offers of Dedication to include the City of Los Angeles or a private, non-profit corporation acceptable to the Executive Director.³

A-381-78-A9

The text of the conditions, findings and exhibits referenced in A-381-78A, and in subsequent amendments, identify Lot G as being located outside the Urban Limit Line⁴. The Urban Limit Line remained in the location established in 1980 until the Commission approved the ninth amendment to the permit in 1987.

In 1987, Palisades Resources and Headlands Properties, Inc., the previous owner, applied for an amendment to adjust the urban limit line because reconstructive grading was necessary to prevent landslides from occurring along the portion of its property that lay closest to Temescal Ridge (A-381-78A9). The City of Los Angeles Department of Building and Safety had required this land to be excavated, benched and recompact to prevent any possibility of landslides resulting from the adverse bedding planes that underlay the land north of the then tract boundary. The Commission approved that grading and an adjustment of the urban limit line, consistent with two exhibits prepared by the Palisades Resources, PH87-4 and PH87-14. This action created Lots 40, 41, 42 and 43 in land that was previously identified as portions of Lots E and G, public open space, and rendered those new lots *inside* the urban limit line. However, they remained restricted in their use as described in condition 2.g. below. The proposed project subject to this amendment request (A-381-78-A13) is located predominantly on Lot 41 and Lot G.

In the ninth amendment the urban limit line is described in condition 1 "Scope of Permit" and identified as the line shown on "Master Plan PH 87-14":

Special Condition 1 as modified by the Commission at the time of the ninth amendment states in part:

a. This permit amendment authorizes subdivision of four tracts of Palisades Highlands, for up to 740 residential units, a two-acre commercial site and a seven-acre institutional site, grading for all streets and lots, installation of drainage and utilities and construction of residential units as described in the attached Findings and Declarations. All grading, structural development, and subdivided lots shall be located entirely within the urban limit line, as described in the "Modification Exhibit"

³ In a 1993 letter to this office, the applicant, Headlands Properties, indicated that the City accepted these lands outside the Urban Limit Line that the State declined to accept. Commission staff believed that the City had accepted the strip of land between the outer boundary of tract 32184 and State Park land. For reasons unknown to Commission staff, the lands subject to the offer of dedication for public open space lands to the City were, in fact, deeded to the property owner, Headlands Properties Associates. A Preliminary Title Report indicates that the land is now held by Headlands Properties, Associates.

⁴ The proposed project is located predominantly on Lot G

by VTN Inc shown on PH 87-4 and "Master Plan" PH 87-14, submitted by applicant to the Coastal Commission on Sept 29, 1987, and identified in the Coastal Commission files as approved applicant's Exhibits PH 87-4 and "Master Plan" PH 87-14. (Emphasis added)

The Commission required, in Special Condition 2 and 3, that all lots outside the urban limit line, including Lot G, be deed restricted and dedicated for public open space. These conditions were adopted in the first amendment in 1980 and have remained the same in subsequent amendments. The original applicants, Headlands Properties Inc. and Gateway Properties recorded such a deed restriction in 1981. The deed restriction applies to Lot G as modified by this amendment, which is located outside the urban limit line.

As mentioned, the expansion of the Urban Limit Line around Tract 32184 was approved to construct engineered sloped lots - Lots 40, 41, 42, and 43 (lots that were previously outside the urban limit line). The amendment lessened the area to be dedicated but included a restriction on the use of the interior open space lots. These lots are referenced as "interior open space" lots because they were originally included in lands that were to be dedicated to the State, City, or other private, non-profit, were indicated as open space on the applicant's submitted plans, PH87-4, and addressed as "open space areas" in Condition 2g. below. The maintenance of the resulting engineered slopes was also addressed in Condition 2g of the permit as amended in 1987.

(2) g. Maintenance of private open space. The applicant shall demonstrate to the Executive Director that adequate legal instruments exist to maintain the slope and open space areas identified in map PH87-4. The applicant has agreed to maintain the slope areas adjacent to the development, and upon completion of development to transfer this obligation to the Homeowners' association(s) in accordance with City conditions 13j, 21, 22, and 23. Some of this land is subject to landscaping conditions and fire control setbacks. The applicant or the successor in interest shall maintain the slope areas shown on PH 87-4, and areas identified for special planting using native, fire-resistant vegetation of the Oak Savannah, Coastal sage scrub and chaparral communities, and fuel modification and erosion control techniques approved by the Executive Director.

Within the areas designated as slope areas on the PH87-4 plan there shall be no structures with the exception of park and maintenance facilities such as trails, drainage channels, park furniture and vehicle entry gates. The grading shall be limited to that approved in this amendment.

To protect State Park lands from conflict with the fire control needs of the community, Headlands Properties or its successor in interest shall either redesign the lot lines so that no private lot lies closer than 200 feet from the land dedicated to the State Park system or shall develop and record on the final tract map, an easement that retains the right of entry and maintenance of privately held slope

areas within 200 feet of the State Park for the homeowners association. The restriction shall prevent future homeowners from construction of combustible structures within the area identified as slope area. The easement or restrictions shall be subject to the review and approval of the Executive Director be binding on heirs an assigns, and be recorded free of prior liens, and shall be valid for the duration of the subdivision.

A-381-78-A10

This amendment modified condition 2 of A-381-78-A9, which required signs at the trailheads of the State Park Trails. The amended Condition No. 2 required the signs prior to completion of the authorized development instead of prior to transmittal of the amended permit.

A-381-78-A11

In 1991, Headlands Properties request the authorization to install gates in the upper 32184 Tract. Because these gates posed a threat to public access entering Topanga State Park by blocking the Temescal Trailhead parking area and trail, the amendment request was denied. During this amendment, the applicant included a new map for Tract 32184 showing the expansion of streets and building lots in the northern portion of the tract, inconsistent with PH 87-4 and PH 87-14 (exhibits showing the previously approved Tract 32184). These new streets and building lots include Calle Allicante and its associated lots, including Mr. Fryzer's Lot 81. Commission staff found no reason to challenge this because the area is within the urban limit line, which allowed grading, and the tract is within its unit count.

A-381-78-A12

This amendment application would have allowed the construction of a 32,400 square foot sports field, a retaining wall on each side of the field, the relocation of 33 existing parking spaces, and 16,400 cubic yards of grading, which would extend on to 1.25 acres of a 107.23 acre City park. The project was located behind the existing Calvary Church. After acceptance of the application, Commission staff determined the project could be reviewed as a separate application (5-01-190). This project was approved on November 15, 2001.

Conclusion

The Commission based its prior actions with respect to this site on Sections 30210 and 30223 of the Coastal Act, which require maximum public access and recreational support; Sections 30230 and 30231, which protect watershed land, streams and water quality; Section 30240, which protects sensitive habitat; and Sections 30250 and 30252, which require the Commission to review the location and intensity of development with respect to its impacts on public access. This prior history establishes two tests for approval of a permit on the land subject to A-381-78 as amended. The first test, as always in an uncertified area of the coastal zone, is consistency with the Chapter 3 policies of the Coastal Act. However, land that is subject to this permit lies predominantly outside the Urban Limit Line, which carries significant pre-existing restrictions. The Urban Limit Line

was established under the original permit, A-381-78, as amended to, among other things, minimize the alteration of natural landforms as it affects scenic habitat and recreational resources. In this case, the proposed project is located predominantly on public park land that is also deed restricted to limit subdivision, development and grading (Lot G). In addition, portions of the proposed project extend across Lot 41. Lot 41, which was located outside the Urban Limit Line prior to the ninth amendment, was deed restricted to ensure the maintenance of the engineered slope area, restrict structures with the exception of certain park and maintenance related structures, and protect State Park land from the conflict of fire control needs.

C. History of Proposed Project

As previously mentioned, the approval of the underlying permit, as amended, authorized four tracts, established the total number of dwelling units at 740, allowed massive grading for roadways and building pads within an Urban Limit Line, authorized the construction of a church (described as an "institutional site"), two sites for commercial development (2 acre total), and required the dedication in fee of approximately 1,000 acres of public open space, the area outside the Urban Limit Line, to State Parks, the City of Los Angeles Department of Recreation and Parks, and/or a private, non-profit corporation acceptable to the Executive Director (Exhibit #14).

The co-applicant and owner of Lot 81 Tract 32184, Joseph Fryzer, purchased the property (Lot 81) on November 8, 2000. Soon after this purchase, Mr. Fryzer began construction of an approximately 11,000 square foot house (approved by the City of Los Angeles under Categorical Exclusion Order #E-79-8 as amended).

20 days after Mr. Fryzer purchased the property, Mr. Fryzer and Headlands Properties Associates (Metropolitan Life Insurance Company) entered into a Lot Line Adjustment Agreement ("agreement") on November 28, 2000 (Exhibit #10). The agreement would have allowed the transfer of portions of Lot 41 and Lot G to Mr. Fryzer, creating a much larger Lot 81. As previously explained, Lot G was deed restricted and dedicated for public open space and Lot 41 was deed restricted for interior open space maintained by the homeowners association. The "agreement" states in part:

HPA [Headlands Properties Associates (Metropolitan Life Insurance Company)] and Fryzer hereby agree to adjust the boundaries of Lot 41 and the Open Space Lot [Lot G] and Lot 81. ... The Lot Line Adjustment shall be at no cost or expense to HPA. Fryzer shall be solely responsible for the payment of all costs, fees and expenses which pertain to the processing the Lot Line Adjustment and obtaining a Certificate of Compliance and any other necessary government approvals... from all government agencies with jurisdiction over the Lot Line Adjustment.

The agreement would have allowed the transfer of 0.7 acres of land from Lot 41 and 9.44 acres of land from Lot G to Mr. Fryzer for a total of 10.14 acres or 441,698.5 square feet

of land. This land would then be added to Mr. Fryzer's Lot 81. Mr. Fryzer would then be required to pay Headlands Properties Associates (Metropolitan Life Insurance Company) a sum of \$20,000 for the 441,698.5 square feet of deed restricted and dedicated property. Again, Lot G was deed restricted and dedicated for public open space and Lot 41 was deed restricted for interior open space maintained by the homeowners association.

During, or soon after the Lot Line Agreement was signed by both parties, Mr. Fryzer graded the previously rough-graded lot (Lot 81) for the construction of his proposed single family home. In doing so, a paved accessway and berm connecting Calle Allicante to the existing unpermitted debris basin was demolished. This accessway and berm, which was constructed during the grading for the subdivision, allowed for the maintenance and continued operation of the debris basin located on portions of Lot 41 and Lot G. The reasons for the construction of a maintenance road and debris basin berm on a residential lot are unclear. However, the plans (PH87-4) approved by the Commission for the extension of the Urban Limit Line around Tract 32184 (Amendment #9) show the entire area of Calle Allicante and the associated residential lots on Calle Allicante (including Lot 81) as "open space". In the eleventh amendment, the applicant submitted revised plans for Tract 32184 that included Calle Allicante and new residential lots, including Lot 81. Lot 81 was then created without addressing the existence of an access road and debris basin wall. Eliminating the access road impeded any further maintenance by an outside party other than Mr. Fryzer.

The City of Los Angeles Department of Building and Safety required the applicant to submit hydrology and geotechnical reports for the elimination of the access road. Mr. Fryzer submitted these reports prior to his ownership of the property. These reports were approved on July 28, 2000, by the Department of Building and Safety. A condition of this approval required Mr. Fryzer to accept full responsibility for all future maintenance of the debris basin. In addition, the Homeowners Association, who previously maintained the basin, had to agree to relinquish the responsibility of maintaining the basin. At this time, staff believes the 1,040 cubic yard capacity debris basin was still in existence, as demonstrated by the submitted Geologic and Geotechnical Report dated December 17, 1999 and the submitted approval letter Log No. 31393 by the Department of Building and Safety, dated July 28, 2000. The Dec. 17, 1999 geologic report by GeoSoils, Inc. includes a "Site Plan Tract 32184, Lot 81 Mr. Joe Fryzer" map (Exhibit #7). This site plan shows the proposed single family home on the flat portion of Lot 81. The debris basin is shown adjacent to the eastern side of Mr. Fryzer's property on Lot 41 and Lot G. The entire down-sloping portion of the debris basin is indicated as "concrete". A dike is shown surrounding the upper slope of the debris basin. Some time after this report, approximately the southern half of this debris basin was filled to match the flat level of Lot 81. In addition, the City of Los Angeles Department of Building and Safety approval letter Log No. 31393 dated July 28, 2000, indicates that the only proposal was to eliminate the access road to the debris basin. As a condition, Mr. Fryzer was required to maintain the basin but there was no indication that the basin was to be filled.

On May 9, 2001, the applicant received an approval letter, Log # 32870-01 from the Department of Building and Safety for the applicant's Soils and Engineering Reports "concerning the proposed elimination of a graded debris basin and construction of debris walls to contain potential debris from the hillside drainage area." Soon after this approval letter was received, Mr. Fryzer attempted to obtain an exemption from the City of Los Angeles Planning Department. The City was unsure as to how to proceed and contacted Commission staff for guidance. At this time, Commission staff first became aware of the proposed debris basin. Soon after discussions with the City, Commission staff received proposed project drawings from Mr. Fryzer for the alteration of the existing unpermitted debris basin. After review of the project plans, a letter was sent to the City of Los Angeles Planning department and to Mr. Fryzer's representatives stating that the project was not exempt (Exhibit #9). In addition, staff noted that the project plans included a lot line adjustment for lands that appeared to be located on State Park property. Staff's letter additionally stated that a lot line adjustment would also require a coastal development permit.

On June 27, 2001, Mr. Joseph Fryzer submitted Coastal Development Permit application No. 5-01-241 for the (1) resizing of a tract debris basin that would be located on Lot 41 of Tract 32184, and on Lot G; (2) a lot line adjustment that would merge a portion of Lot 41, an engineered slope designated as a private open space area in map PH87-4, into Lot 81 of Tract 32184; and (3) a further lot line adjustment that would merge portions of Lot G with the new combination of portions of Lot 41 and Lot 81. This would transfer 10.14 acres of Lot 41 and Lot G to Mr. Fryzer. This application was received by the South Coast District office as a request for a new coastal development permit. However, after review of the file and researching the underlying permit, A-381-78 as amended, the application was treated as an application to amend A-381-78-A12. This amendment application was rejected on September 4, 2001 because "the proposed amendment would lessen or avoid the intended affect of an approved or conditionally approved permit"⁵. A further explanation of the rejected amendment is found on Exhibit #11.

The present amendment application was submitted on October 11, 2001. The applicants include Headlands Properties Associates (Metropolitan Life Insurance Company), the owners of Lot 41 (as assigned Homeowners Association – see condition 2g. of the ninth amendment) and a portion of Lot G, and Mr. Joseph Fryzer, the owner of Lot 81. This amendment application, A-381-78-A13, does not include the lot line adjustment.

The proposal seeks after-the-fact authorization for the demolition of an unpermitted debris basin (with the capacity to hold 1,040 cubic yards) and the fill of portions of the basin. The proposed project also includes fill of the remainder of the hole that was the debris basin and the construction of a 673 cubic yard capacity debris basin with retaining and deflection walls. The entire project would require 940 cubic yards of cut and 1,882 cubic yards of fill. As shown on Exhibit #1, #5, & #6, the existing unpermitted debris basin would be filled,

⁵ Section 13166(a) Title 14, California code of Regulations

creating an extension of the flat pad area of Lot 81, approximately 60 to 80 feet across Lot 41 and onto Lot G. The new containment area (as indicated as mudflow storage on Exhibit #5 & #6) for the debris basin would then be located north of the existing unpermitted basin and the existing unpermitted basin would be filled level with Mr. Fryzer's existing flat building pad and single family home.

The original Hydrology and Hydraulic Study conducted by L. Liston & Associates, Inc. dated June 28, 2000 and approved by the City of LA on July 28, 2000, stated that the existing debris basin, with the capacity to hold 1,040 cubic yards of material, could be eliminated. The study states, "the basin, although it may have had some purpose in the initial phases of the Tract development, is at the very least, over-designed for the current conditions, and in the opinion of this office, is more appropriately, not required from a hydrologic or hydraulic point of view in terms of providing protection from the surrounding developed properties." In a later approval by the Department of Building and Safety for the reports submitted by the applicant to fill the debris basin, it was found that the 1.7 acre watershed (the amount of offsite tributary watershed area to the basin) necessitated a debris basin with a minimum capacity of 672 cubic yards. The applicant has proposed a debris basin with a capacity to hold 673 cubic yards.

D. Parks and Recreational Areas/Topanga State Park/Temescal Ridge Trail

Section 30240 of the Coastal Act states, in pertinent part:

(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.

Dedication of Lot G for Public Open Space

The original subdivision permit for this tract required the dedication of approximately 1,000 acres of land to Topanga State Park to offset the expansive development within the Santa Monica Mountains. This dedication protected a large portion of the Santa Monica Mountains from development and ensured the protection of views, landforms, habitat for avian and terrestrial species (such as coastal sage), and open space for the public enjoyment of the State Park system. Tracts approved within A-381-78 were conditioned to prohibit most development outside a designated area, defined by the Urban Limit Line. The Urban Limit Line prevents an expansion of the subdivision that would impact public views from the State Park and extirpate native habitat within the Santa Monica Mountains.

As indicated above in the summary of the underlying permit, the State Department of Parks and Recreation had concerns about maintaining brush clearance in areas within 200 feet of the boundary of Tract 32184 (the Urban Limit Line). In a subsequent amendment (A-381-78-A7), the areas approximately 200 feet away from the tract

boundary (typically the slopes below the ridgelines) could be dedicated to the City of Los Angeles or a private non-profit organization acceptable to the Executive Director. The State of California accepted all lands outside this approximately 200-foot boundary. In the ninth amendment, the Urban Limit Line was expanded to allow for the construction of engineered slopes to prevent further instability. These lands were required to be maintained by the Homeowners Association (Headlands Properties) as further described in Condition 2g. of A-381-78-A9. These newly created "slope and open space" areas were not deeded to the State, City, or private non-profit organization.

On April 10, 1989, the City of Los Angeles Department of Recreation and Parks Commission approved the acceptance of the Offer to Dedicate 108.46 of the 400.46 acres of land in areas outside the urban limit line, located in the Gateway Tract, adjacent to Palisades Road. The report indicates, "the future dedication of ± 292 acres will be designated as open space and used for picnicking and hiking into the adjacent Topanga State Park."⁶ During a personal communication between the Commission's Los Angeles County Supervisor, Pam Emerson and Eugene Dudley, City of Los Angeles Department of Recreation and Parks, it was discovered that the City was anticipating accepting the dedications. However, sometime prior to 1991, Mr. Dudley sought to inspect the land within Lot G but was prevented from doing so because the property owner, Headlands Properties Associates had erected gates and fences around the property. Soon thereafter, the City rejected the acceptance of Lot G and cited, as the reason for that rejection, that the Department of Recreation and Parks presumed they could not properly maintain the area. Eventually, the property owner, Headlands Properties Associates, dedicated the land to itself. Regardless of ownership, however, the lands outside the Urban Limit Line and within Lot G are deed restricted for public open space, preventing further development in this area with certain limited, narrow exceptions.

Temescal Ridge Trail and Trailhead

The proposed project is located downslope of Temescal Ridge, a prominent ridge in the southern Santa Monica Mountains with views of the greater Topanga State Park and Pacific Ocean (Exhibit #4). The Temescal Ridge Trail crosses this area and connects to other State Park trails. The Temescal Ridge Trail is accessible by the Temescal Ridge Trailhead located on Lot 41 (Exhibit #3). This trailhead, with associated trailhead parking lot and restrooms, was required under A-381-78A and enhanced in amendments A9, A10, and A11. A portion of the proposed project is located on Lot 41, which separates Lot 81 from Lot G.

Condition #7 of A-381-78-A9 states

7. *Park Facilities.*

⁶ This ± 292 acres includes part of Lot G, which includes the location of the proposed project

Concurrent with the grading of Lots 86 and 87 of Tract 32184, the applicant shall construct trailhead facilities (including a 6 - 10 car parking lot, gates and signs) in vicinity of said Lots 86 and 87 substantially as shown in applicant's Exhibit A-1, so as to provide foot trail access to an existing trail on Temescal Ridge. The applicant shall also construct a restroom facility in the vicinity of Palisades Highlands at a location designated by the State Department of Parks and Recreation in Topanga State Park or on the dedicated lands. If the applicant is unable to construct the restroom prior to completion of Tract 32184, the applicant may post a bond in an amount sufficient to fund construction by the State if such facilities are determined to be necessary by the Department of Parks and Recreation. All facilities shall be constructed to the usual specifications of the Department of Parks and Recreation, and shall be turned over to the Department for operation and maintenance.

Condition #8 of A-381-78-A9 states, in part:

8) *Completion of Trail Access Improvements required in condition 7*
Prior to transmittal of the authorization of this amendment the applicant shall provide evidence that the following improvements to the accessibility of the dedicated open space areas will be completed according to the time schedule indicated below, but in all events, before construction of condominium units authorized by this amendment in Tract 32184 begins.

The improvements shall be approved by the Executive Director and shall conform to the design standards of the accepting agency.

A-381-78-A11 states

Temescal Ridge Trailhead. *Concurrent with the construction of streets and utilities approved in this tract, the applicant shall construct the improvements proposed for the Temescal Ridge Trail head, including signs, a 12 car parking facility and public restroom. The final designs must be reviewed by the accepting agency prior to construction. The trailhead may be transferred to the City of Los Angeles Department of Recreation and Parks for purposes of maintenance and liability, or other public or non-profit agency approved by the Executive Director. The applicant or its successor in interest shall maintain the trail and engineered slope to Temescal Ridge from Calle Nancy as part of the other open space maintenance agreed to in this permit. More specifically the applicant shall provide a public access/recreation signage program subject to the review and approval of the Executive Director, that provides that, at a minimum, signs will be conspicuously and appropriately placed to adequately identify the location of the Temescal Ridge Trailhead. The program shall include, at a minimum, posted signs located on both sides of Chastain Parkway West at the intersection of Calle Deborah. Signs shall also be posted at the intersections of Chastain Parkway West/Palisades Road, Calle Deborah/Calle Nancy and Calle Deborah/Calle Allicante.*

The trailhead parking lot, the trailhead, and the trail are open and accessible to the public. The City of Los Angeles, Department of Recreation and Parks is in the process of obtaining this property for maintenance and operational control purposes.

Habitat

The 1980 findings that addressed the protection of the hillside habitat were based on a characterization of the slopes as an important watershed, and a finding that if the slopes were not cleared, more watersheds would remain. The intent of the underlying permit was to protect the sloping watershed land from all grading and open the steeper slopes only to low intensity uses. However, it did make an exception for public park use. Significant public use is required to satisfy the Coastal Act requirements for public access and recreation, as the Commission recognized in 1980 when it imposed deed restrictions applicable to the site.

Section 30240 of the Coastal Act requires that development in areas adjacent to parks and recreation areas be sited and designed to prevent impacts, which would significantly degrade such areas. The project site is located adjacent to Topanga State Park and Temescal Ridge Trail and Trailhead. The Park and the surrounding habitat within the Santa Monica Mountains still contain large expanses of native vegetation, which is home to several avian and terrestrial species. Such vegetation includes coastal sage scrub, chaparral, scrub oak, and several other plant species endemic to the Santa Monica Mountains. Coastal sage scrub has incurred tremendous losses statewide. Native plants common to this community are highly adapted to the temperate climate of Southern California and provide habitat for the endangered California gnatcatcher, cactus wren, and orange-throated whiptail lizard, among a list of approximately 100 potentially threatened or endangered species⁷.

The adjacent slope above the proposed project consists of chaparral and coastal sage scrub (Exhibit #1). While some areas in the Santa Monica Mountains near highly developed areas in the Pacific Palisades have lost most of the natural habitat diversity, large expanses of Topanga State Park have been left untouched by development and human interference.

Conclusion

This project is within and adjacent to a Topanga State Park. The recreational experience intended for this park is an open, coastal mountain appearance. All development located adjacent to the State Park system must be sited and designed to prevent impacts, which would significantly degrade such areas. Development that could occur in this area must be compatible with the park system. Such development that could be authorized are paths, trails, and trailheads, picnic areas, observation areas, and other low intensity uses

⁷ Premises on Coastal Sage Scrub Ecology, CA Department of Fish and Game

associated with public parks and recreational area. The proposed project includes clearing and grading on deed restricted open space land adjacent to Topanga State Park and the Temescal Ridge Trail. The filling of the existing, unpermitted debris basin and additional grading surrounding the basin, as proposed, would require 940 cubic yards of cut and 1,882 cubic yards of fill. As seen on the submitted project plans (Exhibit #5), the applicants propose to extend an unpermitted fill area over the entire debris basin and create a new retention area above the previous debris basin. An approximately 17,600 square foot area located on Lot 41 and Lot G would be affected by the proposed project. In addition, the fill area would create an almost flat, approximately 12,750 square foot area on Lot 41 and Lot G, resembling an extension of Mr. Fryzer's (Lot 81) rear yard (Exhibit #1).

Such development is neither consistent with nor compatible to the State Park system. The proposed project, the demolition of an existing, unpermitted 1,040 cubic yard capacity debris basin, removal of 940 cubic yards of earth and placement of 1,882 cubic yards of fill to create a 673 cubic yard capacity debris basin with retaining and deflection walls and an extended unpermitted, flat pad area, located outside a designated urban limit line and adjacent to Topanga State Park and Temescal Ridge Trail is also not consistent with Section 30240 of the Coastal Act. Therefore, the project must be denied.

Cumulative Impacts

Development that encroaches into this park area, which could lead to further development within and adjacent to Topanga State Park would have a major impact and significantly degrade the park area. The underlying permit established an urban limit line around Tract 32184 to lessen impacts to the surrounding State Park. The Commission's approval was a balancing to allow some development in this large subdivision but also to retain and protect the existing habitat, public hiking trails, natural landforms, and public views within Topanga State Park and the Santa Monica Mountains.

The proposed project is located outside the established Urban Limit Line and would require massive grading to fill an existing unpermitted debris basin and create a new debris basin with the capacity to hold 673 cubic yards of material. The project is not designed or sited to prevent impacts that would significantly degrade the park and recreation area. Allowing development in the canyon and along the slopes of the canyon outside the Urban Limit Line and adjacent to the State Park system would be precedent setting, allowing future development to encroach into this area. This cumulative impact would result in a degraded area that would ultimately lessen the recreational enjoyment of Topanga State Park and may influence the decisions of those who would have recreated in this location. Therefore, the proposed project is inconsistent with Section 30240 of the Coastal Act.

The proposed project would not be compatible with the continuance of this park and recreation area. The proposed project is inconsistent with Section 30240 of the Coastal

Act and the underlying conditions applied to the subdivision. Therefore, the project must be denied.

E. Scenic Resources/Landform Alteration

The Coastal Act protects public views and the visual qualities of coastal areas and limits landform alteration that would detract from such resources. Topanga State Park surrounds the project site on all but the west side. In fact, the portion of Lot G on which both the existing unpermitted and the proposed debris basin are located (the area owned by Headlands Properties Associates – Metropolitan Life Insurance Company) was originally required to be dedicated to the State of California as open space. Under the seventh amendment to the underlying permit, the applicant could offer to dedicate the lands to the City of Los Angeles or other private non-profit organization. As discussed in the above sections, the City declined to accept this portion of Lot G and the property owner, Headlands Properties Associates dedicated the land to themselves. The above-described portion of Lot G that was dedicated to the property owner is still deed restricted for public open space.

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 the surrounding areas, and, where feasible, to restore and enhance the visual quality in visually degraded areas.

Landform Alteration

The proposed amendment application is for the after-the-fact approval of the demolition of an existing unpermitted debris basin with the capacity to hold 1,040 cubic yards of material and partial fill of this basin. Also included in the proposed project is the construction of a new debris basin with the capability to retain 673 cubic yards of debris. This is achieved by removing 940 cubic yards of earth and placing 1,882 cubic yards of fill in and around the pre-existing unpermitted debris basin and constructing retaining and deflection walls north of the fill area. Therefore, as seen on the submitted project plans (Exhibit #5), the applicants propose to extend an unpermitted fill area over the entire debris basin and create a new retention area above the previous debris basin. An approximately 17,600 square foot area located on Lot 41 and Lot G would be affected by the proposed project. In addition, the fill area would create an almost flat, approximately 12,750 square foot area on Lot 41 and Lot G, resembling an extension of Mr. Fryzer's (Lot 81) rear yard (Exhibit #1).

A topographic map submitted by the applicants within a March 29, 2001, Response to City of Los Angeles Review Sheet, Project No. 1201C-84-81-VN depicted the subject area prior to the grading of the subdivision as the head of a canyon below Temescal Ridge (Exhibit #4). This natural north-south trending canyon was partially filled during the subdivision, however, some of the canyon bottom and predominantly the entire eastern slope of the ridge was located outside the urban limit line and are, for the most part, undeveloped. All areas outside the urban limit line were to be protected as public open space. As indicated in the applicants' submitted project plans and Exhibit #1, #3, #5, & #6, an approximately 17,600 square foot area of Lot 41 and Lot G would be graded. A large portion of this area is located outside the urban limit line (Exhibit #1, #3, & #5).

As previously mentioned, the Urban Limit Line was established under the original permit, A-381-78, as amended to, among other things, minimize the alteration of natural landforms as it affects scenic habitat and recreational resources. As stated, the proposed project site is located predominantly outside the Urban Limit Line and in close proximity to Topanga State Park, Temescal Ridge, and the Temescal Trailhead and Trail. Portions of the debris basin can be seen from Temescal Ridge. The proposed filling of the unpermitted debris basin and construction of a new debris basin would require 2,822 cubic yards of grading. Commission staff engineer, Lesley Ewing, has reviewed the proposed project and has determined that there are less environmentally damaging alternatives that would provide the basin capacity the City found to be necessary but that would require much less grading and could retain some of the natural contours of the slope below Temescal Ridge (Exhibit #8).

The applicants disagree with staff's alternatives, stating that this project is the only feasible one that can be accomplished while retaining the integrity of the slopes and the functionality of a debris basin (as discussed further in the Alternatives section below).

The proposed project does not minimize the alteration of natural landforms. The proposed project relies on an unpermitted fill pad as a base, and it requires an extensive amount of grading to fill in an unpermitted debris basin outside the Urban Limit Line and below Temescal Ridge, a prominent ridge in the southern portion of the Santa Monica Mountains and Topanga State Park (Exhibit #4). The Temescal Ridge Trail follows this ridgeline and connects to other trails in the park. The applicants contend that this area has been previously graded for the construction of the subdivision and the debris basin. While this may be true, neither the fill nor the grading for the debris basin was permitted. Moreover, the establishment of the Urban Limit Line was "firm" and only a very narrow scope of development could be allowed outside this area (see summary of underlying permit, above). Over-excavation for the subdivision and the construction of a debris basin (that was not previously approved in the subdivision) are not types of development authorized under the original permit. Therefore, the subject area must be viewed as if all grading that took place without benefit of a coastal development permit was nonexistent. In this case, as shown by the applicants' geotechnical report, the area of the proposed project was, at one time, a natural head of a canyon.

Therefore, the Commission finds, consistent with its findings in approving A-381-78 as amended, that the proposed project does not minimize alteration of natural landforms and will have a negative effect on the scenic and visual qualities of the surrounding area by contributing to a cumulative adverse impact of increased development along the canyon and canyon slope. As such, the proposed project is inconsistent with Section 30251 as further discussed below.

Cumulative Effects

Approval of the proposed project would set a precedent for future development outside the Urban Limit Line. The Urban Limit Line was established to offset the cumulative impacts of developing a large subdivision with extensive landform alteration. Over time, as continued applications are submitted for similar development, such incremental impacts can result in significant cumulative impacts.

The applicants have stated that the proposed project is not visible from the surrounding area because it is located in a canyon below the ridgelines. The applicants have also stated that the area was already graded and the proposed project would allow for more landscaping of native vegetation. While the proposed project may only be visible from a small portion of the ridgeline above and the area has been graded without benefit of a coastal development permit, approval of the project would set a precedent to allow further development along the slopes and canyons outside the Urban Limit Line, which would not minimize the alteration of natural landforms effecting the visual quality of the area without. This, in effect, could lead to the approval of other small projects to resolve previous unpermitted development that would significantly impact the visually quality of Topanga State Park and Park trails. The incremental approval of such developments would also jeopardize the protection of coastal resources required under the original permit as amended to balance the impacts of this subdivision. Therefore, development on the subject property must be sited and designed to be visually compatible with the undisturbed characteristic of the surrounding area.

Conclusion

The Commission finds that the project, as proposed, is not sited and designed to protect the scenic and visual characteristics of the surrounding area and does not minimize the alteration of natural landforms. Denial of the proposed project would preserve the existing scenic resources in the subject location. Also, denial of the project will ensure that the visual quality of Topanga State Park is safeguarded against cumulative impacts resulting from multiple encroachments outside the established Urban Limit Line. The proposed project would lead to the disruption of the visually quality of the area. Therefore, the Commission finds that the proposed project is inconsistent with Section 30251 of the Coastal Act and the underlying conditions applied to the subdivision; therefore, the project must be denied.

F. Unpermitted Development

Development has occurred on site without benefit of the required coastal development permit, including but not limited to, construction of a debris basin with the capacity of 1,040 cubic yards, the subsequent demolition of this debris basin, and the partial fill of this debris basin. The work that was undertaken constitutes development that requires a coastal development permit.

Consideration of the permit amendment application by the Commission has been based solely on the consistency of the proposed development with the policies of Chapter 3 of the Coastal Act. Approval or denial of this permit amendment application does not constitute a waiver of any legal action with regard to the alleged unpermitted development, nor does it constitute admission as to the legality of any development undertaken on the subject site without a coastal development permit.

G. Local Coastal Program

Section 30604 (a) of the Coastal Act states:

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).

In 1978, the Commission approved a work program for the preparation of Local Coastal Programs in a number of distinct neighborhoods (segments) in the City of Los Angeles. In the Pacific Palisades, issues identified included public recreation, preservation of mountain and hillside lands, and grading and geologic stability.

The City has submitted five Land Use Plans for Commission review and the Commission has certified three (Playa Vista, San Pedro, and Venice). However, the City has not prepared a Land Use Plan for Pacific Palisades.

The demolition of an existing, unpermitted 1,040 cubic yard capacity debris basin, removal of 940 cubic yards of earth and placement of 1,882 cubic yards of fill (1) in the existing unpermitted 1,040 cubic yard capacity debris basin, and (2) elsewhere on elsewhere on unpermitted fill pad for the construction of a new 673 cubic yard capacity debris basin with retaining and deflection walls, predominantly located (portions of the new debris basin would be located across portions of Lot 41) outside a designated urban limit line (established in the original permit as amended) is inconsistent with the Chapter 3 policies of the Coastal Act as previously discussed. The development located predominantly

outside the Urban Limit Line on Lot 41 and Lot G would result in the alteration of natural landforms, the degradation of the scenic and visual quality of the area, displacement of and degradation of land that should be habitat, and the siting of development that would impact Topanga State Park, which is inconsistent with Section 30240 and 30251 of the Coastal Act. Section 30240 states that development adjacent to parks and recreation areas shall be sited and designed to prevent impacts that would significantly degrade such areas. Section 30251 states that development should minimize landform alteration and visual impacts. The proposed development would prejudice the City of Los Angeles' ability to prepare a Local Coastal Program for Pacific Palisades that is consistent with the Chapter 3 policies of the Coastal Act, as required by Section 30604(a). Therefore, the proposed project is found inconsistent with the Chapter 3 policies of the Coastal Act and must be denied.

H. Alternatives

Denial of the proposed project, the demolition of an existing, unpermitted 1,040 cubic yard capacity debris basin, removal of 940 cubic yards of earth and placement of 1,882 cubic yards of fill (1) in the existing unpermitted 1,040 cubic yard capacity debris basin and (2) elsewhere on unpermitted fill pad for construction of a new 673 cubic yard capacity debris basin with retaining and deflection walls, located outside a designated urban limit line (established in the original permit as amended), will not deny all reasonable use of the subject property. Almost the entire proposed project is located on Lot 41 and Lot G. The co-applicant, Headlands Properties, owns Lot 41. This lot, originally included in lands outside the Urban Limit Line (see A-381-78-A9), was required to be maintained as an interior tract private open space area. Tax records also show that Headlands Properties owns this portion of Lot G. Lot G was deed restricted and dedicated for public park purposes. The deed restrictions prevented further division of Lot G and prevented development outside the Urban Limit Line (except as permitted by the permit or for park purposes). Thus, the limitations on the uses of these lots are inherent in the title to the land itself. The applicants have stated that this proposed project is necessary to safely contain and divert water runoff and debris from the hillsides above this portion of Tract 32184. In addition, the applicants have stated that the existing debris basin must be filled to remove an attractive nuisance on the property. They feel that the basin, as it is in its current state, could pose a hazard for someone walking or playing in the area.

Commission staff, on several occasions, have discussed with the applicants' representatives that a temporary fence could be erected around the existing basin until a solution is found. On every occasion, the applicants' representatives refused this offer.

Some of the many possible alternatives to both the debris basin and the issue of an attractive nuisance would include the following:

- The current site configuration contains an unpermitted fill pad that is not the least amount of fill that would be needed for Lots G and Lot 41. There are alternatives

for Lot G and Lot 41 that can remove or reduce the area of the flat pad and volume of fill that are now on these lots and also address the drainage and debris that would be generated from this fill area and any upslope areas. A significant amount of the fill on both Lot 41 and Lot G between Mr. Fryzer's Lot 81 and the undeveloped ridge slope can be removed. This area can be recontoured and vegetated to more closely resemble the undeveloped ridge slope that it abuts. The intersection of the ridge slope and the break in slope of the fill slope could be modified with regrading and recontouring working back from the ridge slope location. The regrading and recontouring would require some development to address drainage and debris, including but not limited to a small debris basin, some down drains, brow ditches, vegetated swales, etc.

- To alleviate concerns of an attractive nuisance, the applicants could erect a fence around the basin. Also, some grass or other low vegetation could be planted in the basin itself. Finally, the applicants could place warning signs in the area giving notification to trespassers that there is a debris basin located in the subject area and possible hazards do exist. The area could be made even safer by limiting all access to this area, halting the use of Lot G and Lot 41 by construction trucks and erecting some barrier at the end of the access road so these lots would not be open to use.

I. California Environmental Quality Act

Section 13096 of the California Code of Regulations requires Commission approval of 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 which the activity may have on the environment.

As described above, the proposed project would have adverse environmental impacts. There are feasible alternatives or mitigation measures available, as described in the preceding sections that would lessen any significant adverse impact, which the development may have on the environment. Therefore, the proposed project is not consistent with CEQA or the policies of the Coastal Act and the project must be denied.

EXHIBIT# 1

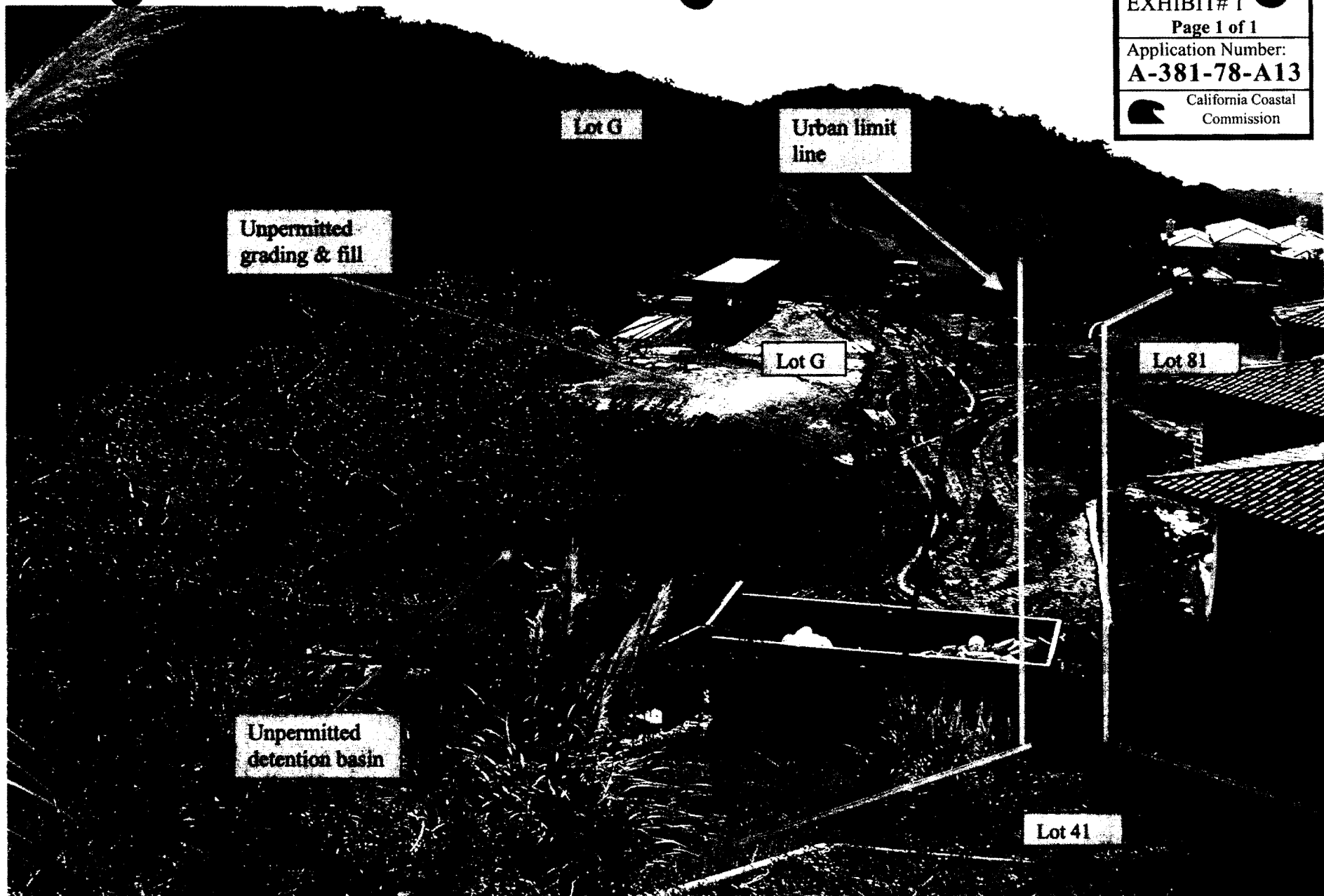
Page 1 of 1

Application Number:

A-381-78-A13



California Coastal
Commission

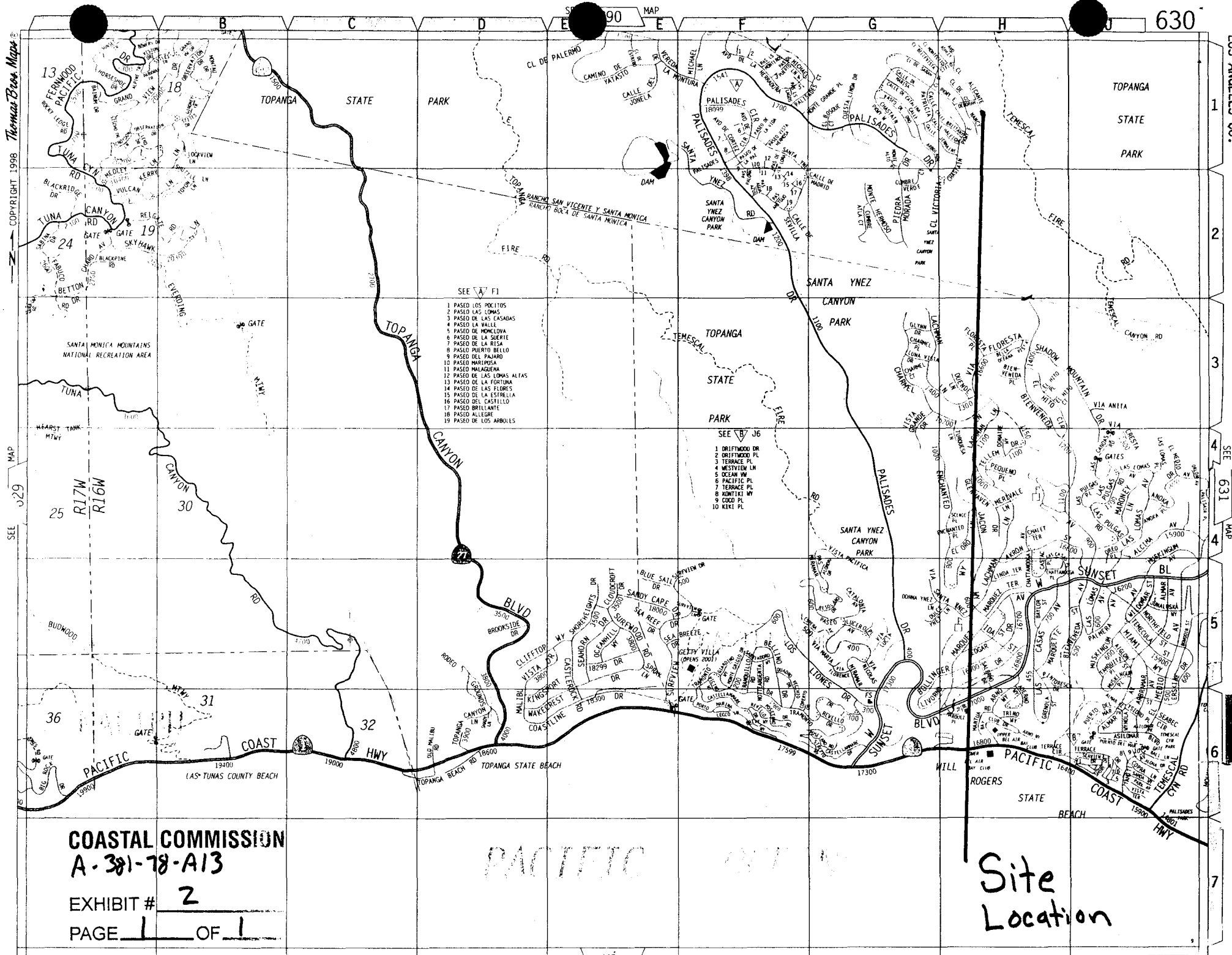


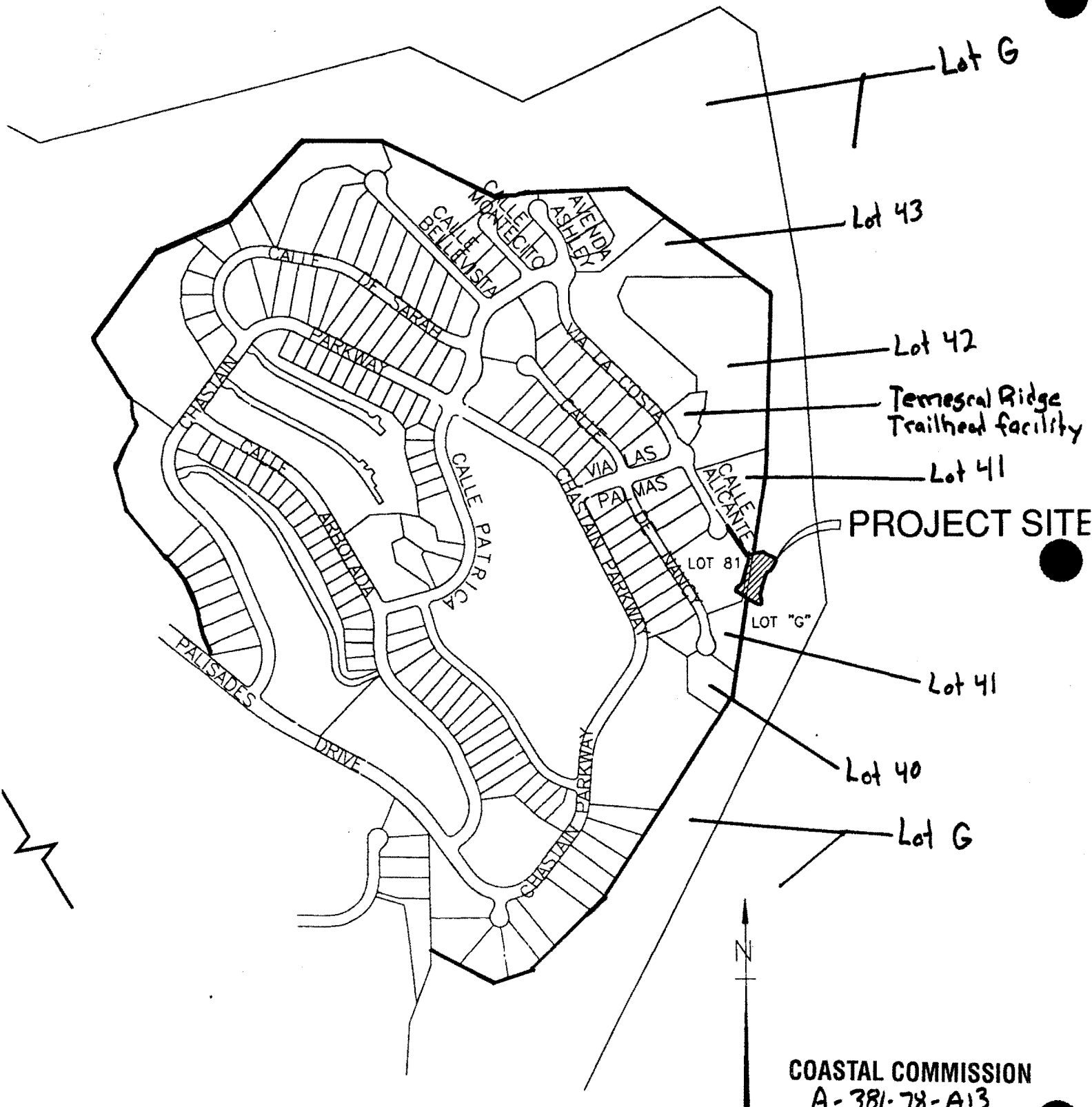
Lot lines are approximations from plans submitted by the applicant.

Lot G and Lot 41 are deed-restricted, open space lots. Lot 81 – Mr. Fryzer's lot.

- ☐ Area outlined in red is the approximate location and size of the preexisting detention basin that was allegedly demolished by Mr. Fryzer.
- ☐ The demolished detention basin was lined with concrete as indicated in plans submitted by the applicant from December 17, 1999.

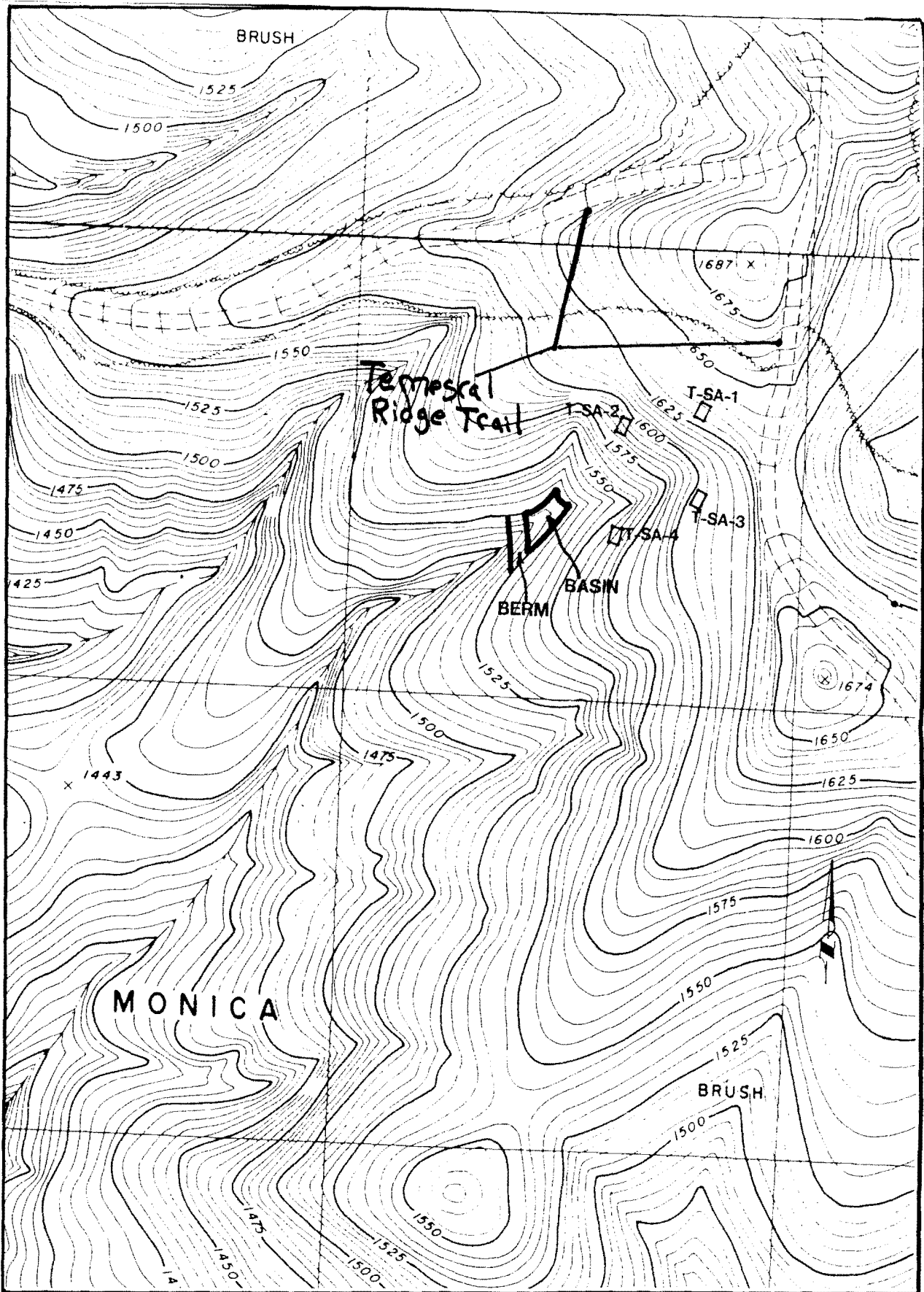






KEY MAP
N.T.S.

COASTAL COMMISSION
A-381-78-A13
EXHIBIT # 3
PAGE 1 OF 1



COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 4 GeoSoils Consultants Inc.

PAGE 1 OF 1

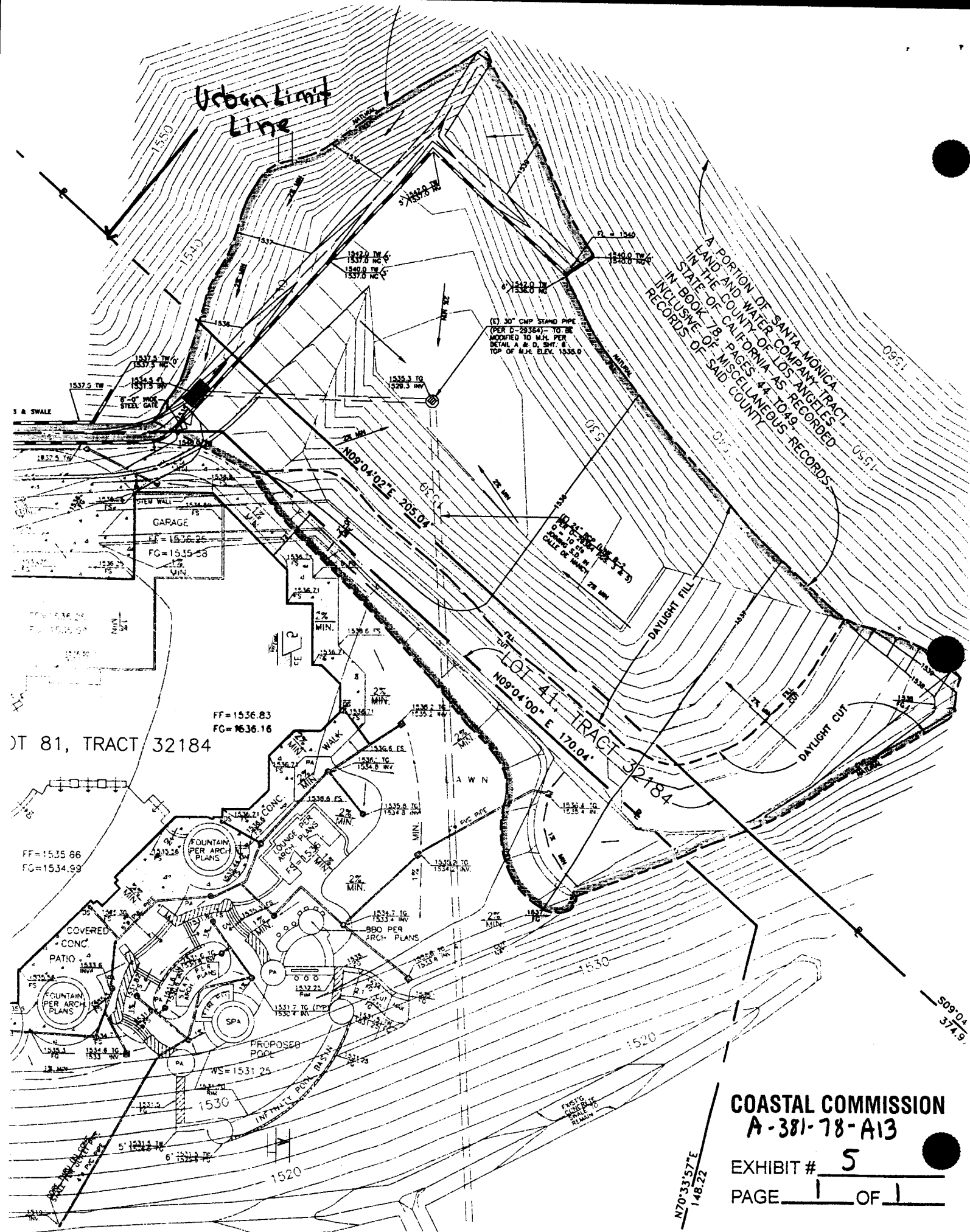
100-SCALE TOPOGRAPHIC MAP
16670 CALLE ALICANTE LOT 87, TRACT 32184

Mr. JOE FRYZER

DATE 03-2001

W.O. NO.

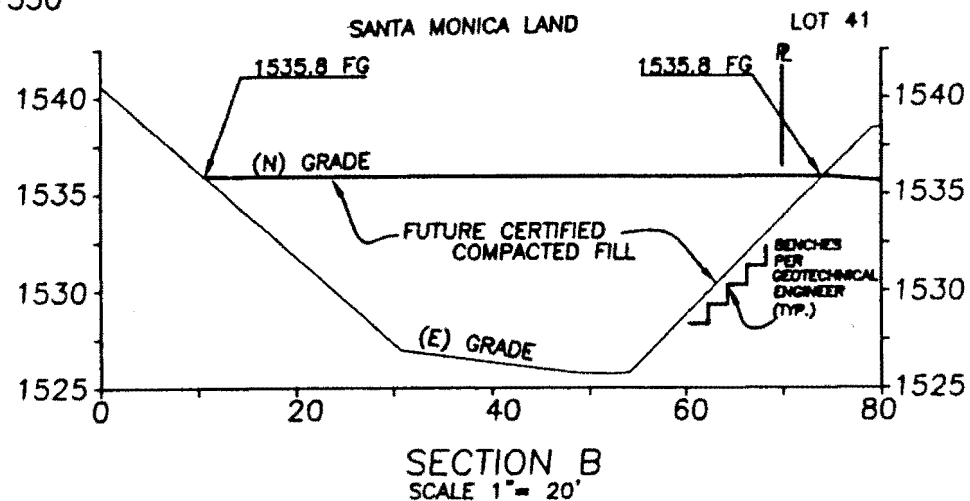
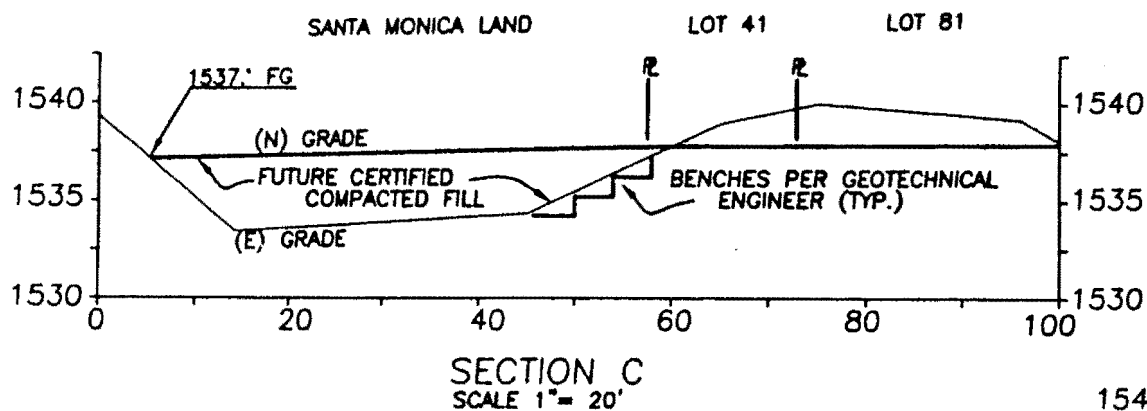
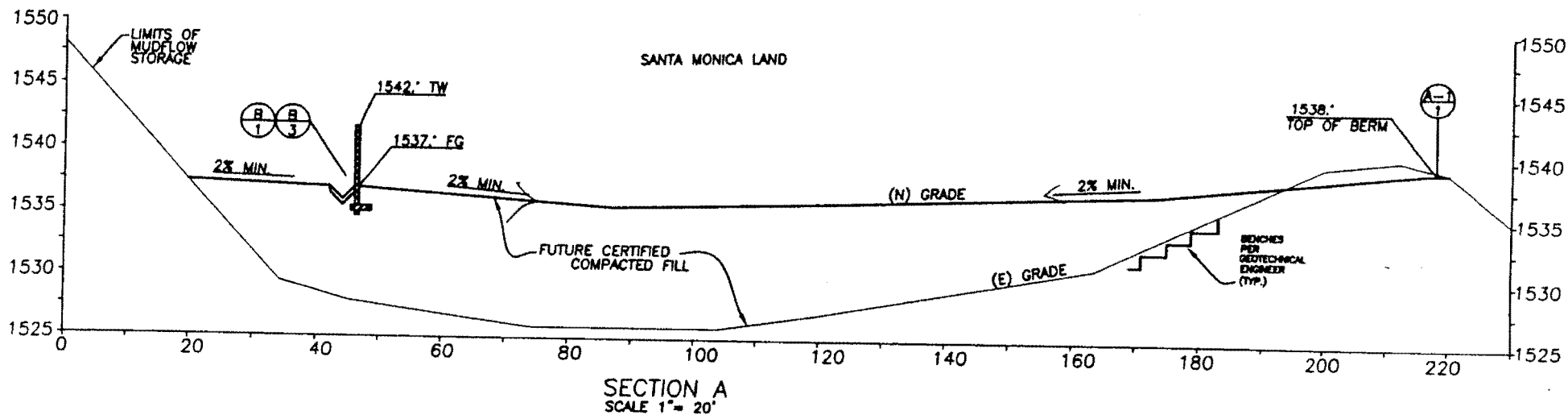
PLATE 3



COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 5

PAGE 1 OF 1



COASTAL COMMISSION

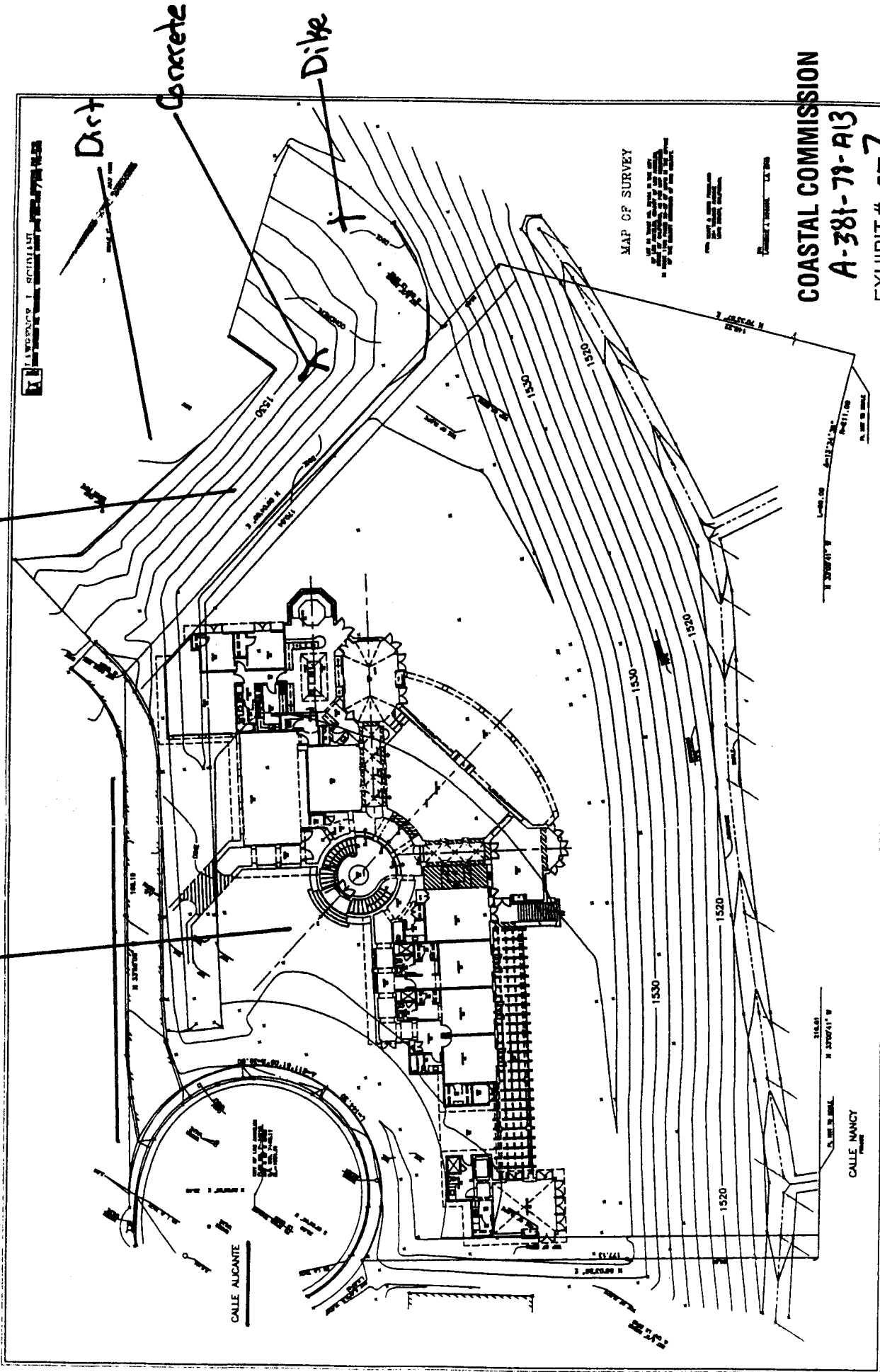
A-381-78-A13

EXHIBIT # 6

PAGE 1 OF 1

Debris Basin

Lot 81



COASTAL COMMISSION

A-381-79-A13

EXHIBIT # 7

PAGE 1 OF 1

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200
FAX (415) 904-5400



May 21, 2002

TO: Aaron McLendon, Coastal Program Analyst
FROM: Lesley Ewing, Sr. Civil Engineer
SUBJECT: Fill and Debris Basin in Headlands Property, Lot G

On April 9th, I went to the Headlands Housing Project and followed a public access trail/drainage swale to a spot where I could overlook the Fryzer site, and the adjoining properties that have been graded and/or that contain the debris basin that the applicant would like to modify. I could not get to property directly because the only developed access is by way of a locked gate road. Nor I did not climb down the slope from the drainage swale to inspect the various lots.

The general area includes an undeveloped ridge, an undeveloped slope coming down from the ridge line, and a flat fill slope extending from the undeveloped slope through Lot G, the lot with the debris basin, Lot 41, the undeveloped lot, the Fryzer lot and several more home site lots that either have been developed or are now being developed. It is my assumption that the flat fill slope is fairly uniform across all these properties, consisting of a flat building pad and a linear "break in slope" leading down to the next set of building pads. In a subsequent conversation with Lloyd Poindexter on 1 May 2002, he confirmed this general assumption and stated that the slope between each row of homes is about 2H:1V (similar to the side slopes for the debris basin).

The drainage swale and access trail are the only developments upslope of the access road and group of lots that include the Fryzer pad and adjacent lots. To the northeast of Calle Alicante are an access and maintenance road and another debris basin of a design similar to the one that is on Lot G. Down slope of the Fryzer lot there are several rows of flat pad development that are accessed only by locked gate roads. Because all the roads were locked gated and because I had not called ahead to arrange to have the applicant or one of the applicant's representatives meet me at Calle Alicante, I did not go on any of the properties in question. It was not possible to determine whether there is any development immediately down slope of the lots between the Fryzer lot and the undeveloped ridge slope. The site plan shows that there should be one lot and the cul-de-sac of Calle de Nancy immediately down slope of the fill and debris basin on Lot G. Finally, from my viewing location, it was not possible to see any lot line distinctions. There were workers and construction vehicles using most of the flat pad that now spans from the ridge to the Fryzer residence, so it has the appearance of being one large lot. There was a french drain-type trench system being installed on the southeast side of the Fryzer home and I was using that as one lot line indicator.

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 8

PAGE 1 OF 2

Based on the access that was available, it remains my belief that a significant amount of the fill on the two lots between the Fryzer lot and the undeveloped ridge slope can be removed, and that this area can be recontoured and vegetated to more closely resemble the undeveloped ridge slope that it abuts. In my 1 May 2002 conversation with Lloyd Poindexter, he agreed, in general, with this assertion. We did not discuss or develop any detailed removal and recontouring plans since he noted that his client's only interest in the development on Lot G was to make the debris basin safe and to comply with an earlier County permit condition for maintenance of the basin.

The fill slope and debris basin on Lots G and 41 address the current drainage and debris concerns for this part of the Headlands development. This debris basin should continue to be functional for many years, but since there is no access to the debris basin for maintenance, the basin will eventually fill in and cease to function. Mr. Poindexter (during our conversation of 1 May 2002) estimated that it will take several decades for the basin to fill completely, and voiced the concern of his client that the basin will remain an attractive nuisance till that time.

The current site configuration is not the least amount of fill that would be needed for Lots G and 41. There are alternatives for Lot G and Lot 41 that can remove or reduce the area of the flat pad and volume of fill that are now on these lots and also address the drainage and debris that would be generated from this fill area and any areas upslope areas. The biggest area for modification would be at the intersection of the ridge slope and the break in slope of the fill slope, with regrading and recontouring working back from that location. The regrading and recontouring would likely require some development to address drainage and debris, including but not limited to a small debris basin, some down drains, brow ditches, vegetated swales, etc. The actual drainage structures would need to be addressed in any type of site restoration that might be developed by the property owner.

Finally, the slopes of the Lot G debris basin are similar to or more gradual than other manufactured and natural areas within the general vicinity. The debris basin is similar to the one that is adjacent to the access trail leading into Topanga Canyon. Also the debris basin adjacent to the access trail is accessible to anyone who enters this area to go hiking, whereas the debris basin on Lot G is only accessible to people who are already in the locked gate area or who climb down a rather steep slope to get to the debris basin. The remaining natural area adjacent to the Lot G debris basin is steeper than the slopes of the debris basin. The manufactured slopes that separate each row of houses are similar to the side slopes for the debris basin. The debris basin on Lot G does not seem to pose a vastly greater safety risk than the nearby manufactured or natural slopes. However, it would make this area safer if there were a fence around the basin, some grass or other low vegetation planted in the basin itself, and perhaps some warning signs. The area could be made even safer by limiting all access to this area, halting the use of Lot G and Lot 41 by construction trucks and erecting some barrier at the end of the access road so these lots would not be open to use.

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 8

PAGE 2 OF 2

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071



June 8, 2001

Andrew Montealegre
Department of City Planning
Room 300, Counter 19
201 N. Figueroa Street
Los Angeles, CA 90012

RE: **Request for debris basin alteration at 16670 Calle Alicante
Lot 81, Tract 32184**

Dear Mr. Montealegre,

We have reviewed the project plans for the proposed debris basin at 16670 Calle Alicante. After review of the project we have determined that an exemption cannot be issued and thus, a coastal development permit is required. I will be forwarding a permit application to the applicant's representatives.

The subject property is included in the original subdivision permit A-381-78. Categorical Exclusion E-79-8 was adopted, which exempted certain categories of development in the Pacific Palisades. The categories of development that can be excluded include among other things, single family homes on individual legal lots. Grading, retaining walls, and demolition of structures is not included in this categorical exclusion. The subject property is included in the categorical exclusion, however the proposed project is not a category of development that can be exempted. Therefore, the applicant must submit an application for a coastal development permit from the Commission's South Coast District office.

It has come to our attention that the applicant proposes to apply for a lot line adjustment. Please be advised that lot mergers, lot splits, and lot line adjustments **ALSO** require a coastal development permit because they are changes in density or intensity of use of the land (see Section 30106 of the Coastal Act).

Thank you for your cooperation and attention to these matters. If you have any questions, you may contact me at (562) 590-5071.

Sincerely,

A handwritten signature in cursive script that reads "Aaron N. McLendon".

Aaron N. McLendon
Coastal Program Analyst

Cc: Leonard Liston, consulting engineer
Shannon Nonn, permit expeditor
Craig Grannon, applicant representative

COASTAL COMMISSION**A-381-78-A13**EXHIBIT # 9PAGE 1 OF 1

JUN 27 2001

LOT LINE ADJUSTMENT AGREEMENT

THIS LOT LINE ADJUSTMENT AGREEMENT ("Agreement") is made and entered into as of this 28th day of November, 2000, by and between Headland Properties Associates, a California limited partnership ("HPA"), and Joseph Fryzer, an individual ("Fryzer"). HPA and Fryzer are sometimes hereinafter each singularly referred to as a "Party" and collectively referred to as the "Parties."

RECITALS:

A. HPA is the owner in fee simple of the unimproved real property consisting of Lot 41 of Tract 32184 ("Lot 41") and the open space parcel identified as APN-4431-023-026 ("Open Space Parcel") located in the County of Los Angeles, California. A map showing the location of Lot 41 and the Open Space Parcel is attached.

B. Fryzer is the owner in fee simple of Lot 81 of Tract 32184 ("Lot 81"), is contiguous to Lot 41 and the Open Space Parcel. Lot 81 is also shown on Exhibit A.

C. The Parties desire to effect a lot line adjustment among Lot 41, Lot 81, and the Open Space Parcel on the terms and conditions hereinafter set forth.

IN CONSIDERATION of the above Recitals and the terms and conditions hereinafter set forth, the Parties agree as follows:

1. LOT LINE ADJUSTMENT.

1.01 Lot Line Adjustment. HPA and Fryzer hereby agree to adjust the boundaries of Lot 41 and the Open Space Parcel and Lot 81 as set forth on Exhibit A (the "Lot Line Adjustment"). The Lot Line Adjustment shall be at no cost or expense to HPA. Fryzer shall be solely responsible for the payment of all costs, fees and expenses which pertain to the processing the Lot Line Adjustment and obtaining a Certificate of Compliance and any other necessary government approvals (collectively, the "Certificate") from all governmental agencies with jurisdiction over the Lot Line Adjustment.

1.02 Consideration. As consideration for the Lot Line Adjustment, upon the execution and delivery of this Agreement by HPA, Fryzer shall pay to HPA the sum of \$20,000.00, which funds shall be held in trust by HPA's attorney, Paul W. Kaufman ("Kaufman") whose address is 10960 Wilshire Blvd., Suite 1225, Los Angeles, California 90024 until such time as Fryzer obtains the Certificate. Upon Fryzer obtaining the Certificate, Kaufman is authorized to release said funds to HPA without any further authorization from Fryzer. In the event Fryzer terminates this Agreement as provided for in Section 3, Kaufman, after written request from Fryzer, shall return such funds to Fryzer with no further authorization from HPA.

Shared\HPA\Lot Line Adj\Nk

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 10
PAGE 1 OF 7

1.03 Expenses. HPA has incurred engineering fees with respect to the analyzing proposed Lot Line Adjustment and reviewing/drafting this Agreement in the amount of Five Thousand One Hundred Dollars (\$5,100.00). Fryzer shall reimburse HPA in said amount for said expenses upon the execution hereof.

2. DUE DILIGENCE INFORMATION.

2.01 Due Diligence Documents. Within five (5) business days after the date hereof, HPA shall deliver to Fryzer the following documents and records relating to Lot 41 and the Open Space Parcel which are in HPA's possession (the "Due Diligence Information") for Fryzer's inspection:

- (a) all soils and geological testing reports (HPA does not know of any such reports); and
- (b) copies of the current tax bill or bills.

2.02 No Warranty. Any of the Due Diligence Information prepared by entities other than HPA is delivered by HPA to Fryzer without representation or warranty by HPA regarding the accuracy or correctness of such information.

3. PROCESSING.

In addition to the other conditions precedent set forth in this Agreement, Fryzer shall, at its sole cost and expense, be responsible for processing the Lot Line Adjustment, and provided such cooperation shall be at no cost or expense to HPA, HPA shall cooperate with Fryzer in doing such further and additional acts as may be requested by Fryzer, including, without limitation executing additional instruments to effect the intent of this Agreement. HPA hereby agrees, following reasonable review by HPA to execute any and all applications and documents submitted to the City of Los Angeles or any other governmental agency regarding the Lot Line Adjustment. In the event Fryzer is unable to effect the Lot Line Adjustment within one year (1) from the date of this Agreement, Fryzer may thereafter terminate this Agreement at any time by giving HPA written notice of termination.

4. CONDITION OF TITLE.

Upon consummation of the Lot Line Adjustment the property being transferred to Fryzer pursuant to the Lot Line Adjustment ("Property") shall be subject only to non-delinquent real property taxes and assessments and such other exceptions to title which Fryzer has approved.

5. HPA'S WARRANTIES.

5.01 HPA's Authority.

(a) HPA has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(b) All requisite action has been taken by HPA in connection with entering into this Agreement and the consummation of the transaction contemplated hereby.

(c) The individuals executing this Agreement and the instruments referenced herein on behalf of HPA have the legal power, right and actual authority to bind HPA to the terms and conditions hereof.

5.02 No Litigation. HPA hereby represents and warrants for the benefit of Fryzer that to HPA's best knowledge, there are no pending legal actions which affect title to or occupancy of the Property.

5.03 As Is. Except for the express representation and warranty of HPA contained in Section 5.01 hereof, the Property being acquired by Fryzer and the Improvements (as hereafter defined) located thereon are being acquired by Fryzer "AS IS" without any warranty of HPA, express, implied or statutory, as to the nature or condition of or title thereto or its fitness for Fryzer's intended use. Fryzer is relying solely upon its own, independent inspection, investigation and analysis of the Property as he deems necessary or appropriate, including, without limitation, any and all matters concerning the condition of the Property and its suitability for Fryzer's intended purposes, and all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property. Fryzer hereby forgives and releases HPA, its officers, directors, partners and affiliates from any and all causes of action, claims, liabilities and demands of any type or nature whatsoever which in any way relate to the Property.

6. DEFAULT

6.01 Remedies of Fryzer.

In the event Fryzer is the non-breaching Party, in addition to any other rights or remedies which may be available to Fryzer pursuant to this Agreement or under applicable law, Fryzer may elect to either: (i) pursue the equitable remedy of specific performance, or (ii) terminate this Agreement by giving HPA written notice describing HPA's default and setting forth Fryzer's election to immediately terminate this Agreement.

3.02 Remedies of HPA. In the event HPA is the non-breaching Party, HPA shall be released from its obligation to effect the Lot Line Adjustment, and HPA may terminate this Agreement by giving Fryzer written notice describing Fryzer's default and stating HPA's election to immediately terminate this Agreement. In the event HPA elects to terminate this Agreement, HPA shall receive the amount specified as consideration in Section 1.02 as its sole remedy and as liquidated damages.

7. NON-EXCLUSIVE LICENSE AND MAINTENANCE.

7.01 License. HPA hereby grants to Fryzer its agents and employees, a non-exclusive license to enter upon Lot 41 and the Open Space Parcel for the purpose of conducting an inspection and investigation of the Property (the "Property Inspection"). Subject to prior written notice to HPA and HPA's written approval which shall not be unreasonably withheld, Fryzer may also perform such grading, filling and construction upon the Property as may be approved by the City of Los Angeles. Fryzer agrees to indemnify, defend and hold HPA, its agents, partners and employees harmless from any and all costs, liabilities, liens, actions, damages and expenses, including, without limitation, attorney's fees, resulting from the activities or entry upon Lot 41 and the Open Space Parcel by Fryzer, or its agents, contractors or employees pursuant to the non-exclusive license granted to Fryzer hereby. In the event the Lot Line Adjustment is not completed for any reason other than HPA's default, Fryzer at its sole cost and expense, shall return the Property to its condition as of the date of this Agreement.

7.02 Maintenance. Fryzer hereby acknowledges that the Property contains certain improvements, including, but not limited to, a debris basin (the "Improvements"). Fryzer hereby agrees both to assume all responsibility for the maintenance of the Improvements and to indemnify and hold harmless HPA in connection therewith. In the event the Lot Line Adjustment is not completed and this Agreement is termination as provided for herein, Fryzer's obligations under this Section 7.02 shall likewise terminate.

8. MISCELLANEOUS.

8.01 Exhibits. All exhibits to which reference is made herein are deemed incorporated into this Agreement, whether or not actually attached hereto, upon the execution hereof by the Parties. References to Articles and Sections herein refer to the Articles and Sections of this Agreement.

8.02 Amendments. This Agreement may only be amended in writing signed by each of the Parties to this Agreement.

8.03 Binding Effect and Assignment. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective heirs, nominees, successors, legal representatives and assigns. This Agreement may be assigned by Fryzer, without the consent of HPA.

8.04 Caption Headings. Captions at the beginning of each numbered or lettered section of this Agreement are solely for the convenience of the Parties and shall not be deemed part of this Agreement.

8.05 Attorney's Fees. Should any litigation be commenced between the Parties concerning any provision of this Agreement including the Exhibits hereto or the rights and duties of any person or entity in relation thereto, the Party prevailing in such litigation shall be entitled, in addition to such other relief that may be granted, to such Party's in-house or outside attorneys' fees and legal costs in such litigation.

8.06 Governing Law: Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The Parties hereby consent to the jurisdiction of the State of California, with venue for any legal action arising out of this Agreement in Los Angeles County, California.

8.07 Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes any prior written or oral agreement or statement by the Parties or any third party concerning the Property. This Agreement may only be amended in writing, signed by the parties hereto.

8.08 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one agreement.

8.09 Notices. All notices required to be given under this Agreement shall be in writing and shall be transmitted either by personal delivery, overnight courier (such as Federal Express) or through the facilities of the United States Post Office, postage prepaid, certified or registered mail, return receipt requested. Any such notice shall be effective upon delivery, if delivered by personal delivery or overnight courier, and forty-eight (48) hours after dispatch, if mailed in accordance with the above. Notices to the respective parties shall be sent to the following addresses unless written notice of a change of address has been previously given pursuant hereto:

HPA: Headland Properties Associates
c/o California Coast Homes, LLC
Attention: Edward Miller, CEO
27520 Hawthorne Blvd.
Suite 250
Rolling Hills Estates, CA 90274
Phone: (310) 544-5900
Fax: (310) 544-5907

Fryzer:

Joseph Fryzer
11859 Wilshire Boulevard
Suite 600
Los Angeles, CA 90025
Phone: (310) 954-3043
Phone: (310) 954-2142

With a copy to:

Russ, August & Kabat
Attn: Steven M. Siemens
12424 Wilshire Boulevard
Suite 1200
Los Angeles, CA 90025
Phone: (310) 826-7474
Phone: (310) 826-6991

8.10 Waivers. The failure by Fryzer or HPA to insist upon strict performance of any of the terms and conditions hereof shall not be deemed a waiver of any subsequent breach or default in any of the terms and conditions hereof.

8.11 Partial Invalidity. If any portion of this Agreement as applied to either party or to any circumstances shall be adjudged by a court of competent jurisdiction to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way affect the validity or enforceability of the remaining portions of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

"Fryzer"

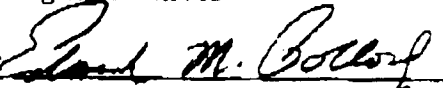

Joseph Fryzer

"HPA"

HEADLAND PROPERTIES ASSOCIATES,
a California limited partnership,

By: Headland-Pacific Palisades, LLC,
a California limited liability company
General Partner

By: Metropolitan Life Insurance Company,
a New York corporation
Managing Member

By: 
Assistant General Counsel

Shared\HPA\Lot Life
COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 10
PAGE 6 OF 7

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302
(562) 590-5071

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 11
PAGE 1 OF 9

September 4, 2001

Joseph Fryzer
11859 Wilshire Boulevard, #600
Los Angeles, CA 90025

Subject: Application #5-01-241 (Fryzer)
Coastal Development Permit A-381-78 and amendments 1-11

Project Location: 16670 Via La Costa (lot 81 - Tract 32184), Lot 41 - Tract 32184, and Lot G, Pacific Highlands, Pacific Palisades, City and County of Los Angeles.

Underlying coastal development permit A-381-78 as amended.

Dear Mr. Fryzer:

On June 27, 2001, the South Coast District office of the California Coastal Commission received the above referenced application. The application includes three elements: (1) resizing of a tract debris basin that is located on lot 41 of tract 32184, and on lot G; (2) a lot line adjustment that would merge a portion of lot 41, an engineered slope designated as a private open space area in map PH87-4, into lot 81 of tract 32184, a residential lot owned by you; and (3) a further lot line adjustment that would merge portions of lot G with the new combination of portions of lot 41 and lot 81. Your application identifies lot G as "the remainder lot".

You are correct that all of the development you propose requires a coastal development permit. Section 30600 of the Coastal Act establishes that all development within the Coastal Zone requires a coastal development permit. Lot G and Tract 32184 are located within the Coastal Zone. A lot line adjustment is a "division of land"; the lot line adjustment proposed by you also would involve a "change in intensity of use." The grading necessary to reduce the size of the debris basin is also development. Grading, division of land and changes of intensity of use fall under the definition of development as defined in Section 30106 of the California Coastal Act of 1976:

Section 30106.

"Development" means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and

timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511).

As used in this section, "structure" includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line.

In this case, the development you propose is located in an area subject to a previously issued, vested permit approved by the Coastal Commission in 1978 and subsequently amended, permit A-381-78. This permit, as amended, allowed the creation of four residential tracts, including Tract 32184, and required the dedication and protection of land outside the urban limit line for public space.

In 1978, the Coastal Commission granted Coastal Development Permit A-381-78 to Headlands Properties (also known as Palisades Highlands) for the grading of roads and the installation of utilities to accommodate a 230 unit residential tract in the Santa Monica Mountains, in a then undeveloped 1,200 acre holding in the Pacific Palisades district of the City of Los Angeles. The original permit also established an urban limit line restricting development to certain locations. In a 1980 amendment to the permit, A-381-78A, the Commission approved four tracts, established the total number of dwelling units at 740, allowed massive grading within an extended urban limit line (beyond the limit line approved in the original permit), authorized construction of two sites for commercial development (2 acre total) and a 7-acre institutional site, and required the dedication of almost 1,000 acres of public open space, the area outside the urban limit line, to State Parks. In 1981 the Applicant recorded certain documents and commenced development, vesting the permit. Permit No. A-381-78 was amended 11 times. The development proposed in your application is located in areas subject to terms and conditions of permit No. A-381-78 as amended.

Permit A-381-78 as amended requires that development that occurs on the land must be consistent with the permit. Changes to an underlying permit can occur only if an amendment is approved by the Commission. The California Code of Regulations requires the rejection of any application for an amendment that would lessen or avoid the intended effect of an existing permit (except in certain circumstances inapplicable here), see section 13166(a) of Title 14 of the California Code of Regulations. After analysis of your request, the Director has determined that the development that you request (1) is located on the land subject to permit A-381-78 as amended, (2) is inconsistent with the adopted conditions applying to this land, and (3) that it is not possible to accept your particular request as an amendment because the development that you propose would lessen or avoid the intended effect of that permit. Therefore, staff is returning your request to you. The development restrictions applicable to the land at issue remain those specified in the current version of the permit (A-381-78-A11, Enclosed).

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 2 OF 9

During a telephone conversation with your representative, Shannon Nonn, on or about July 30, 2001, Coastal Commission analyst Aaron McLendon informed Ms. Nonn that this application constitutes a request for an amendment to the original permit for the subdivision of this portion of Pacific Highlands (Permit No. A-381-78, as amended) that cannot be accepted. A more thorough explanation is provided below.

Special Conditions 1 and 3 – The Urban Limit Line

In the original Permit No. A-381-78, the Commission defined the scope of the project and the approved development in Condition 1, termed the "Scope of the Approval." This condition states in part that "all grading, structural development and subdivided lots shall be located entirely within the urban limit line" The text of the conditions, findings and exhibits referenced in A-381-78A, and in subsequent amendments, identify Lot G as being located outside the Urban Limit Line. The urban limit line remained in the location established in 1980 until the Commission approved the seventh amendment to the permit in 1987. In the seventh amendment the urban limit line is described in condition 1 "Scope of Permit" and identified as the line shown on "Master Plan PH 87-14":

Special Condition 1 as modified by the Commission at the time of the seventh amendment states in part:

- a. This permit amendment authorizes subdivision of four tracts of Palisades Highlands, for up to 740 residential units, a two-acre commercial site and a seven-acre institutional site, grading for all streets and lots, installation of drainage and utilities and construction of residential units as described in the attached Findings and Declarations. **All grading, structural development, and subdivided lots shall be located entirely within the urban limit line, as described in the "Modification Exhibit" by VTN Inc shown on PH 87-4 and "Master Plan" PH 87-14, submitted by applicant to the Coastal Commission on Sept 29, 1987, and identified in the Coastal Commission files as approved applicant's Exhibits PH 87-4 and "Master Plan" PH 87-14. (Emphasis added)**

This Condition remains in effect in the current permit. Special Condition 1c lists some limited development that may occur outside the urban limit line:

- c. Subject to the review and approval of the Executive Director, in areas outside of urban limit line: minor grading may be performed to re-contour previously graded land; paved or unpaved pathways and other incidental improvements for low intensity recreation may be constructed; minor facilities to provide public or utility services which do not require significant grading may be installed if alternative locations are not feasible; vegetation within 100 feet of any residential structure may be removed or altered for fire protection purposes.

The Commission required in Special Condition 3 that all lots outside the urban limit line, including lot G, be deed restricted. Condition 3 required a deed restriction that included the following provisions:

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 3 OF 4

- a. Prevent further division of such dedication parcels for any purposes except park purposes outside of the urban limit line.
- b. Prevent development outside of the urban limit line except as permitted by this permit, or for park purposes.
- c. Waive all claims against the public for damages due to flood, fire or geologic instability which may arise as a consequence of approval of development within the permitted tracts.

This condition was adopted in the first amendment in 1980 and has remained the same in subsequent amendments. The original applicants, Headlands Properties Inc. and Gateway Properties recorded such a deed restriction in 1981. The deed restriction applies to lot G, which is located outside the urban limit line and identified in your application as the "remainder lot." Pursuant to conditions 1a and 3a, any further division of lot G except for park purposes is not permitted. Your application would divide lot G for a purpose other than park purposes. Your proposal also would include other development on lot G, outside the urban limit line, that is not for park purposes, in the form of modifications to the tract debris basin, which is inconsistent with condition 3b. Therefore, the Executive Director rejects your application because it proposes development that would conflict with the permit conditions that apply to lot G, and would thus lessen or avoid the permit's intended effect.

Special Condition 2 – Dedications and Maintenance

Land Outside the Urban Limit Line

Special Condition 2 establishes a method for maintaining the land outside the urban limit line. It requires that the land be offered for dedication. First, in 1981 it required the land outside the urban limit line to be offered in fee to the State. In a subsequent amendment, the Commission agreed to add the City or a Private Association approved by the Executive Director as possible agencies accepting fee ownership. A second provision of condition 2 requires that the applicant's offer to dedicate Parcel G be made concurrently with the recordation of Tract 31935, and that it be valid for 21 years from the date of that recording. The applicable paragraphs of the condition state:

Dedication... As final maps for the respective four tracts (noted below) are recorded, said offers shall be irrevocable as to specified parcels for 21 years thereafter and shall require dedication in fee of such specified parcels upon acceptance by the State of California or its agent. The offers of dedication shall contain the following provisions as to the parcels specified below:

- ...
- c. Tract 31935. Within 30 days following the recordation of a final map subdividing tract 31935, the applicant shall record an irrevocable offer to dedicate the full fee interest in the approximately 386 acres adjoining the portion of Tract 31935 to be developed (shown as areas D and G in Exhibit 2)

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 4 OF 9

In 1993, when the present owner applied for an after-the-fact permit for some gates on interior streets of the "Enclave" portion of tract 32184, the applicant's representative testified that all of lot G had been accepted by either State Parks or the City of Los Angeles Department of Recreation and Parks. Tax records show that a considerable area within lot G, including land that you propose to annex to your individual lot 81 is owned by State Parks. The California Department of Parks and Recreation confirms this. The part of lot G that the applicant claimed in 1993 had been accepted by the City was accepted according to a 1981 ordinance that allowed the Department of Recreation and Parks to accept all land outside the urban limit line that the State might be unable to accept. As we understand it, the City did accept the strip between the State Park land and the outer boundary of tract 32184 (part of lot G), but claims subsequently to have returned it to the applicant. Tax records indicate that this land is now held by the Headlands Properties Inc.

Irrespective of ownership, this condition does not allow the sale of any part of lot G, as it is to be dedicated in fee. Your proposal also would involve the transfer of land within lot G, which is inconsistent with condition 2c. Therefore, the Executive Director rejects your application because it would again conflict with a permit condition that applies to lot G, and would thus lessen or avoid the permit's intended effect.

Land Within the Urban Limit Line

"Private Open Space." In 1987, Palisades Resources, the previous owner, applied for an amendment to adjust the urban limit line because reconstructive grading was necessary to prevent landslides from occurring along the portion of its property that lay closest to Temescal Ridge (A-381-78A7). The City of Los Angeles Department of Building and Safety had required this land to be excavated, benched and recompactd to prevent any possibility of landslides resulting from the adverse bedding planes that underlay the land north of the then tract boundary. The Commission approved that grading and an adjustment of the urban limit line, consistent with two exhibits prepared by the Palisades Resources, PH87-4 and PH87-14. This action created lots 41, 42 and 43 in land that was previously identified as portions of lots E and G, public open space. The maintenance of the resulting engineered slopes was addressed in condition 2g of the permit as amended in 1987.

(2) g Maintenance of private open space. The applicant shall demonstrate to the Executive Director that adequate legal instruments exist to maintain the slope and open space areas identified in map PH87-4. The applicant has agreed to maintain the slope areas adjacent to the development, and upon completion of development to transfer this obligation to the Homeowners' association(s) in accordance with City conditions 13j, 21, 22, and 23. Some of this land is subject to landscaping conditions and fire control setbacks. The applicant or the successor in interest shall maintain the slope areas shown on PH 87-4, and areas identified for special planting using native, fire-resistant vegetation of the Oak Savannah, Coastal sage scrub and chaparral communities, and fuel modification and erosion control techniques approved by the Executive Director.

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 5 OF 9

Within the areas designated as slope areas on the PH87-4 plan there shall be no structures with the exception of park and maintenance facilities such as trails, drainage channels, park furniture and vehicle entry gates. The grading shall be limited to that approved in this amendment.

In the ninth amendment, in 1988, the Commission added language to condition 2g addressing this private open space land, which, again, included all land noted in PH-87-4, the land now identified as lots 41, 42, and 43.

To protect State Park lands from conflict with the fire control needs of the community, Headlands Properties or its successor in interest shall either redesign the lot lines so that no private lot lies closer than 200 feet from the land dedicated to the State Park system or shall develop and record on the final tract map, an easement that retains the right of entry and maintenance of privately held slope areas within 200 feet of the State Park for the homeowners association. The restriction shall prevent future homeowners from construction of combustible structures within the area identified as slope area. The easement or restrictions shall be subject to the review and approval of the Executive Director be binding on heirs and assigns, and be recorded free of prior liens, and shall be valid for the duration of the subdivision. [New condition in response to private maintenance of open space]

This addition to Condition 2g provides that, if lots within 200 feet of State Park land are transferred, the seller must provide an easement for "entry and maintenance of privately held slope areas within 200 feet of the State Park for the homeowners association". Your proposal also would involve the transfer of land within lot 41 that is within 200 feet of the State Park land, without providing an easement, which is inconsistent with condition 2g. Therefore, the Executive Director rejects your application because it would conflict with a permit condition that applies to lot 41, and would thus lessen or avoid the permit's intended effect.

Please also note that condition 2g says that the "obligation" (to maintain the area) shall be transferred to the Homeowners' Association. It states that the Homeowners Association in conformance with underlying tract conditions shall maintain the private open-space land. By effecting the transfer of part of lot 41 to you without reserving the ability to transfer the maintenance obligation to the Homeowners' Association, your proposal would also conflict with this requirement.

Under the terms of this condition private open -space lots fewer than 200 feet from State Park Land, if they are transferred, must allow entry to a public entity or Homeowners Association for purposes of fire control. Your proposed new lot does not maintain this distance from State Parks land nor does it provide the required easement, so the staff cannot accept the amendment.

COASTAL COMMISSION
A-381-78-A17

EXHIBIT # 11
PAGE 6 OF 9

Special Conditions 7 and 8 – Public Trail

Because your proposal involves lot 41 there is an additional issue with the respect to the public trail. The public trail to Temescal Ridge crosses lot 41 and is required in the underlying permit and amplified in amendments A7, A9 and A11. We also note this requirement of the permit, which is not addressed in your proposal.

Amendment A7 states

7. Park Facilities

Concurrent with the grading of Lots 86 and 87 of Tract 32184, the applicant shall construct trailhead facilities (including a 6 - 10 car parking lot, gates and signs) in vicinity of said Lots 86 and 87 substantially as shown in applicant's Exhibit A-1, so as to provide foot trail access to an existing trail on Temescal Ridge. The applicant shall also construct a restroom facility in the vicinity of Palisades Highlands at a location designated by the State Department of Parks and Recreation in Topanga State Park or on the dedicated lands. If the applicant is unable to construct the restroom prior to completion of Tract 32184, the applicant may post a bond in an amount sufficient to fund construction by the State if such facilities are determined to be necessary by the Department of Parks and Recreation. All facilities shall be constructed to the usual specifications of the Department of Parks and Recreation, and shall be turned over to the Department for operation and maintenance.

Amendment A9 states, in part:

8) Completion of Trail Access Improvements required in condition 7

Prior to transmittal of the authorization of this amendment the applicant shall provide evidence that the following improvements to the accessibility of the dedicated open space areas will be completed according to the time schedule indicated below, but in all events, before construction of condominium units authorized by this amendment in Tract 32184 begins.

The improvements shall be approved by the Executive Director and shall conform to the design standards of the accepting agency.

Amendment A11 states

d) Temescal Ridge Trailhead. Concurrent with the construction of streets and utilities approved in this tract, the applicant shall construct the improvements proposed for the Temescal Ridge Trail head, including signs, a 12 car parking facility and public restroom. The final designs must be reviewed by the accepting agency prior to construction. **The trailhead may be transferred to the City of Los Angeles Department of Recreation and Parks for purposes of maintenance and liability, or other public or non-profit agency approved by the Executive Director. The applicant or its successor in interest shall maintain the trail and engineered slope to Temescal Ridge from Calle Nancy as part of the other open space maintenance agreed to in**

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 7 OF 9

this permit. More specifically the applicant shall provide a public access/recreation signage program subject to the review and approval of the Executive Director, that provides that, at a minimum, signs will be conspicuously and appropriately placed to adequately identify the location of the Temescal Ridge Trailhead. The program shall include, at a minimum, posted signs located on both sides of Chastain Parkway West at the intersection of Calle Deborah. Signs shall also be posted at the intersections of Chastain Parkway West/Palisades Road, Calle Deborah/Calle Nancy and Calle Deborah/Calle Alicante.

The City and the Commission both required the debris basin and fire buffer and the private open space to be maintained by an entity responsible to the owners of the entire tract, and established by the permit conditions –the Homeowners Association in the case of lot 41. Lot G must be held in fee by a public entity or private association approved by the Executive Director. Consequently, the Executive Director has determined that your request to amend the original permit A-381-78 and amendments would lessen or avoid the intended effect of the Commission's prior actions on Coastal Development Permit A-381-78 (as amended). Section 13166(A)(1) of Title 14 of the California Code of Regulations states:

An application for an amendment shall be rejected if, in the opinion of the Executive Director, the proposed amendment would lessen or avoid the intended effect of a partially approved or conditioned permit unless the applicant presents newly discovered material information, which he could not, with reasonable diligence, have discovered and produced before the permit was granted.

As discussed in telephone conversations with your representative, Shannon Nonn, you have not presented any newly discovered material information that would allow the Executive Director to accept a permit application for subdivision of land outside the urban limit line for private use. This is inconsistent with Conditions 1a, 3a and 2c. Development on private open space that is within 200 feet of the State Park that does not leave an easement for its maintenance is inconsistent with condition 2g. Therefore, your amendment application is rejected.

The amendment application must be rejected for the reasons above. In addition, even if the scope of the application were acceptable, the submittal would not be adequate because your agent submitted it with inadequate proof of ownership, and inadequate review from the planning department for its conformance with underlying tract conditions. The proposed parcel map appears to propose to divide land that is owned by State Parks. Our records show that state parkland is located within 200 feet of the boundary of the subdivided lots of tract 32184. While you have provided a signed option between Mr. Fryzer and Mr. Miller, there is no proof that the seller owns the property, and no indication of the recorded tract map conditions. Condition 2g seems to affect the rights and obligations of the tract homeowners association, yet there is no evidence that these owners are co-applicants in this request or even that they agree with the request. The

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 11
PAGE 8 OF 9

proposed parcel map and the illustration on the option agreement are mutually inconsistent.

If you believe there is information that we do not have in our permit files (such as title reports, deeds, or other ownership information) that would allow the staff to accept the application for an amendment you may submit such documentation with a new permit amendment application. In support of the submittal, you should provide information showing how the lot lines you show are consistent with lot lines approved by the Commission. At that time we will evaluate this information to determine if it is consistent with the Commission actions taken on Permit No. A-381-78 as amended. We are returning the application materials. A refund of your application fee will be sent under separate cover.

If you have any questions regarding this matter, please call Pam Emerson or Aaron McLendon of the South Coast District Office at (562) 590-5071.

Sincerely,



Pam Emerson
Los Angeles Area Supervisor



Aaron McLendon
Coastal Program Analyst

cc: Headlands Properties Associates, Edward Miller, CEO.
Shannon Nonn
Chuck Yelverton
Leonard Liston
Robert Janovici, Chief Zoning Administrator, City of Los Angeles
Russ Guiney, Department of Parks and Recreation
Teresa Henry, South Coast District Manager California Coastal Commission
Deborah Lee, Southern California Deputy Director California Coastal Commission
Grace Noh, Enforcement Officer, South Coast District
Gregory Shoop, Planning Department City of Los Angeles
Emily Gabel-Luddy, Planning Department, City of Los Angeles
Eugene Dudley, City of Los Angeles Department of Recreation and Parks
Councilwoman Cindy Miscikowski, City of Los Angeles
Lisa Gritzner

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 11
PAGE 9 OF 9

REPORT OF GENERAL MANAGER

NO. 204-89DATE April 10, 1989C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: Santa Ynez Canyon Park Addition:
Acceptance of Grant Deed for 108.46
Acres of Additional Open Space Along
Palisades Drive

*JB ✓
SNJ ✓
SEK ✓
JR ✓

GWR ✓
DG ✓
JT ✓


General ManagerApproved XDisapproved Further Report RECOMMENDATION:

That the Board:

1. Accept the Grant Deed for the conveyance of 108.46 acres of additional open space property from Headland Properties Associates along Palisades Drive adjacent to our Santa Ynez Canyon Park; and,
2. Direct the Board Secretary to transmit the Grant Deed to the Department of Public Works, Title Officer, for recordation, and to transmit a copy of the recorded deed to Headland Properties Associates.

SUMMARY:

In conjunction with their development of the Palisades Highlands located northerly of Sunset Boulevard off of Palisades Drive, the Headland Properties Associates have offered to convey via Grant Deed a 108.46 acre parcel of open space to our Department. The subject property is located southerly of and directly adjacent to our Santa Ynez Canyon Park as shown on the attached exhibit.

Headland Properties originally deeded 48.46 acres of Santa Ynez Canyon Park to the Department in 1972. They deeded an additional 25.17 acres to the Park in 1981 bringing the total to 73.63 acres. The above properties were offered to fulfill their Quimby requirements.

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 12PAGE 1 OF 4

REPORT OF GENERAL MANAGER

PG. 2

NO. 204-89

Due to a reduction in residential density imposed by the California Coastal Commission, 108.46 acres of open space was offered to the Department by Headland Properties.

On May 7, 1981, the City Council adopted Ordinance No. 155,203 authorizing the Department of Recreation and Parks to receive and record grant deeds for several parcels of property including the subject 108.46 acres. These additional dedications will be completed on an incremental basis as various tracts within Headland Properties Associates holdings are recorded.

It is anticipated that the Department will receive an additional +292 acres of open space as these additional tracts are recorded. Including the previously dedicated 73.63 acres, plus the subject 108.46 acre dedication, and the estimated future dedication of 292 acres, the Santa Ynez Canyon Park will be comprised of a total of approximately 475 acres.

Headland Properties has previously dedicated 95.48 acres to the State Department of Parks and Recreation as an addition to Topanga State Park with an additional estimated 536 acres to be dedicated in the near future.

The 108.46 acres plus the future dedication of +292 acres will be designated as open space and used for picnicking and hiking into the adjacent Topanga State Park.]✓

The Assistant General Manager, Pacific Region, and Councilman Braude of the District endorses the acceptance of this property by the Board.

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 12

PAGE 2 OF 4

OPEN SPACE DEDICATION
TO RECREATION & PARKS

Offered to
State of
California

Santa Ynez
Canyon Park
(City of Los
Angeles)

Slide Area

-Offered to
-City of Los Angeles

COASTAL COMMISSION

A-381-78-A13

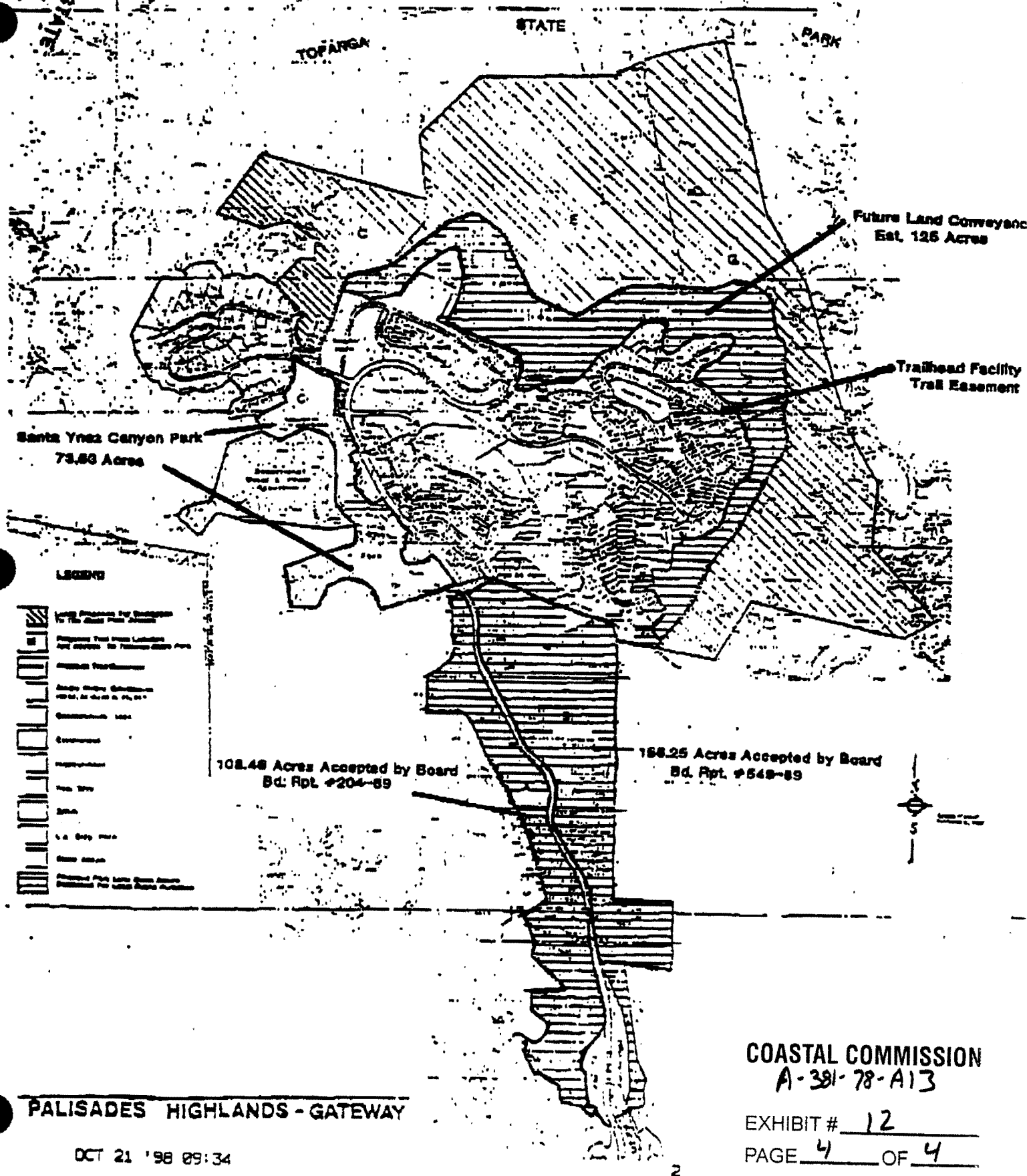
EXHIBIT # 12

PAGE 3 OF 4

Post-Net Fax Note		7571	Date	# of Pages 4
To Gail Gordon			From Al Carmichael	
Co/Dept			Co.	
Phone # [REDACTED]			Phone [REDACTED]	
Fax #			Fax #	

No. 5700 P. 2/4

1. 21. 1998 9. 20 AM REC'D ARRS/DSN&CONS No. 5700 P. 2/4
SANTA YNEZ CANYON PARK MASTER PLAN



COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 12
PAGE 4 OF 4

An Ordinance authorizing acceptance of dedication or conveyance of real property for park and recreational purposes to serve future inhabitants of proposed subdivisions and providing that the land so dedicated may be credited against dedications or fees required for said proposed subdivisions, and consenting to the relinquishment of an agreement right to obtain a dedication of certain other real properties for park and recreational purposes.

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

Section 1. Headland Properties, Incorporated and Palisades Resources Incorporated have filed tentative tract maps and preliminary Parcel maps and will file additional tentative tract maps and preliminary parcel maps and will file final subdivision maps and parcel maps for the subdivision of certain lands located in the Pacific Palisades area of the City of Los Angeles. Said lands proposed for subdivision are shown on the map attached to Council File No. 73-2040 S which number appears at the end of this ordinance, and which map is identified as "Master Plan, Palisades Highlands" and is dated February 4, 1981. The said lands proposed subdivision are outlined in red on said map and are also identified by the following numbers:

Tract No. 41661, P.M. 14109, P.M. 14108

Tract No. 41662, P.M. 3947 Tract No.

41709, Tract No. 41710, Tract No. 31935,

Tract No. 32184, and unnumbered "P.M."

COASTAL COMMISSION
A-391-78-A13

EXHIBIT # 13
PAGE 1 OF 5

1 lying between Tract No. 41710 and 31934,

2 Tract 34923, and Tract No. 31070.

3 Sec. 2. As a condition of said subdivisions, Headland
4 Properties must dedicate or convey to the City of Los Angeles 25
5 acres of real property for park and recreational purposes, which
6 25 acres are identified on said map as "to be dedicated to L.A.
7 City Park." It must also dedicate or convey to the State of
8 California 95.4 acres of real property, which real property is
9 identified on said map as "to be dedicated to State of California,"
10 and an additional approximately 857 acres identified on the map
11 with the letters "A," "B," "D," "E," and "G." The 25 acres of
12 land to be dedicated or conveyed to the City of Los Angeles will
13 satisfy all requirements of California Government Code Section
14 66477 and Los Angeles Municipal Code Section 17.12 (known as
15 "Quimby" statute and ordinance) for dedication of land for park
16 and recreational purposes as a condition of subdivision of the
17 lands proposed for subdivision. Pursuant to Los Angeles Municipal
18 Section 17.12-F-2, it is intended that the dedication or conveyance
19 of said 25 acre parcel as a condition of the first subdivision of
20 any of the lands proposed for subdivision shall also satisfy the
21 park and recreational dedication requirement for all of the lands
22 proposed for subdivision. It is, however, the desire of the City
23 that should the dedications or conveyances to the State of
24 California not be made, revoked, terminated, or rejected, then the
25 City shall have the opportunity to obtain all of the parcels or any
26 portions thereof which were "to be dedicated to the State of
27 California" or which are identified with the "D,"
28 "E," and "G" as City-owned recreation and park or open space land,

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 13

PAGE 2 OF 5

1 should it choose to obtain same.

2 Sec. 3. The Council of the City of Los Angeles hereby
3 finds and determines that the public interest and convenience
4 requires the dedication or conveyance of the said 25 acre parcel
5 of real property to the City of Los Angeles for park and recreational
6 purposes; and pursuant to Section 17.12-F-2 of the Los Angeles
7 Municipal Code the Council authorizes the acceptance of said land
8 as a credit for the dedication requirement for all of the parcels
9 proposed for subdivision, as identified above, or any resubdivision
10 or subsidiary subdivision thereof; and if the City of Los Angeles
11 receives clear title to said 25 acre parcel of land for park and
12 recreational purposes as a condition of the first subdivision,
13 no further dedication of lands or payment of fees in lieu thereof
14 shall be required as a condition of subdivision of any of the
15 other parcels identified on said map as proposed for subdivision.
16 Provided, that this acceptance is authorized only if concurrently
17 with the conveyance or offer of dedication of the 25-acre parcel,
18 an offer is made to the City of Los Angeles for recreation and park
19 and/or open space purposes describing all of the land identified
20 as "A," "B," "C," "D," "E," and "G" on said map, said offer to be
21 irrevocable, but said offer shall provide that it may be accepted
22 only as to such portions of the land for which the conveyance or
23 offer of dedication to the State of California is revoked, expired,
24 or rejected by the State of California.

25 Sec. 4. The Council of the City of Los Angeles further
26 approves of the release of a promise made by Headland Properties
27 Incorporated in April, 1969 to donate approximately 150 acres of
28 land to the Department of Recreation and Parks.

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 13

PAGE 3 OF 5

1 the Board of Recreation and Park Commissioners on September, 1969,
2 as the conveyances to the City and State mentioned above all satisfy
3 the objectives of said promise.

4 Sec. 5. The Department of Recreation and Parks and/or
5 the City Engineer are authorized to receive and record a grant
6 deed or deeds to the real property identified as "to be dedicated
7 for L.A. City Park" conveying same to the City of Los Angeles
8 for park or recreational purposes and to receive and record offers
9 of dedication of the land which is "to be dedicated to the State
10 of California" and also which is identified with the letters "A,"
11 "B," "D," "E," and "G," which offers of dedication shall be
12 conditioned as described above.

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COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 13
PAGE 4 OF 5

Sec. 6 The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles. at its meeting of MAY 7 - 1981

REX E. LAYTON, City Clerk,

By Edward W. Arkdour
Deputy.

Approved.....

Sam B. Parker
Mayor.

Approved as to Form and Legality

April 23 1981
BURT PINES, City Attorney,

By Norman L. Roberts
NORMAN L. ROBERTS, Asst. City Attorney

File No. 73-2040 S

City Clerk Form 23

Carrie L. Hamilton

COASTAL COMMISSION
A-38-78-A13

EXHIBIT # 13
PAGE 5 OF 5

CALIFORNIA COASTAL COMMISSION
631 Howard Street, San Francisco 94105 — (415) 543-8555

REVISED FINDINGS
AMENDMENT TO PERMIT.

Permit No. 381-78
(Headland Properties)
Amendment Approved: 5/21/80
Findings Adopted: 6/4/80

AMENDMENT

APPLICANT: Headland Properties Inc.

DEVELOPMENT

LOCATION: Palisades Drive, Pacific Palisades, City of Los Angeles

AMENDMENT

DESCRIPTION: (See Conditions and Findings)

COMMISSION

ACTION: Amendment Approved: May 21, 1980; Findings Adopted June 4, 1980

I. Approval With Conditions.

The Commission hereby grants an amendment to the permit as described below, subject to the conditions below, on the grounds that, as conditioned, the amendment will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, 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 of Coastal Act, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. Conditions

The permit is subject to the following conditions:

1. Scope of Approval.

a.. This permit amendment authorizes subdivision of 4 tracts of Palisades Highlands, for up to 740 residential units, a two-acre commercial site and a 7-acre institutional site, grading for all streets and lots, installation of drainage and utilities and construction of residential units as described in the attached Findings and Declarations. All grading, structural development, and subdivided lots shall be located entirely within the urban limit line, as described in the surveys and maps prepared by VTN Engineers and submitted by Applicant to the Coastal Commission on March 21 and 26, 1980, and in the local Coastal Commission files as approved Applicants Exhibits A-1, B-1 and B-2, except as provided below. (See Exhibits 4 and 5).

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 14

PAGE 1 OF 12

Upon notice to the Executive Director, the applicant may reduce the number of multiple family units and replace them with single-family units. The Executive Director shall approve such minor modifications to the project provided that there is no increase in the area graded or in the amount of traffic generated by the project, there is no interference with the provision in this permit for low and moderate income housing, and the modifications are otherwise consistent with this approval.

b. Concurrent with the development of Tract 31935, the applicant shall construct an emergency access road and pedestrian-bicycle path as generally indicated in Exhibit 4, between the southern terminus of public roadways serving Tract 31935 and the southern boundary of applicant's property. The road shall be designed and constructed so as to require the minimum amount of land form alteration and to provide/emergency entry to and exit from the Palisades Highlands development. The road shall be wide enough to accommodate two lanes of vehicles and meet the minimum specifications of the City of Los Angeles but at no point should the road width exceed 20 ft. Cuts and fills required for the construction of the road shall be the minimum required by the City of Los Angeles.

c. Subject to the review and approval of the Executive Director, in areas outside of urban limit line : minor grading may be performed to re-contour previously graded land; paved or unpaved pathways and other incidental improvements for low intensity recreation may be constructed; minor facilities to provide public or utility services which do not require significant grading may be installed if alternative locations are not feasible; vegetation within 100 ft. of any residential structure may be removed or altered for fire protection purposes.

2. Dedication. Within 10 days following the issuance of this permit, Applicant and Palisades Resources, Inc. (a co-applicant) shall record offers to dedicate to the State of California all of the property lying outside the urban limit line. Such offers shall be of a form and content approved in writing by the Executive Director. Such offers of dedication shall be irrevocable for a period of 7 years, except in the event of revocation of this permit. As final maps for the respective four tracts (noted below) are recorded, said offers shall be irrevocable as to specified parcels for 21 years thereafter and shall require dedication in fee of such specified parcels upon acceptance by the State of California or its agent. The offers of dedication shall contain the following provisions as to the parcels specified below:

a. Canyon Park. Concurrent with the recordation of a final map for Tract 34923 and prior to construction of residential units on such tract, the applicant shall record an irrevocable offer to dedicate the full fee interest in approximately 120 acres of land in Santa Ynez Canyon north of the existing City park and west of Palisades Drive (areas C and C-1 in Exhibit 2). With the exception of tax liens and the prior offer of dedication of such property to the City of Los Angeles Park Commission, the dedication shall be free of all prior liens and encumbrances. The applicant shall use best efforts to secure the waiver of the City Parks Commission to such prior offer of dedication. However to promote the most efficient and orderly operating and maintenance of these parklands, the applicant may withdraw the offer in favor of the State with regards only to the approximately 25 acres south of Avenida de la Montura (area C-1, Exhibit 4) and adjacent to the existing City park, provided that the City Park Commission accepts the dedication of area C-1 for operation as a City park.

COASTAL COMMISSION
A-381-78-A13

b. Gateway. Concurrent with the recordation of a final map subdividing the Gateway Tract, Palisades Resources, Inc., shall record an irrevocable offer to dedicate the full fee interest in approximately 297 acres of land outside of the urban limit line on the Gateway tract established pursuant to Condition 1 above (generally shown as areas A and B in Exhibits 2 and 5).

c. Tract 31935. Within 30 days following the recordation of a final map subdividing Tract 31935 the applicant shall record an irrevocable offer to dedicate the full fee interest in the approximately 386 acres adjoining the portion of Tract 31935 to be developed (shown as areas D and G in Exhibit 2).

d. Tract 32184. Within 30 days following the recordation of the final map subdividing the first unit of Tract 32184 the applicant shall record an irrevocable offer to dedicate a full fee interest in the approximately 338 acres shown as area E in Exhibit 2.

e. Permit Expiration. In the event the obligation of Palisades Resources, Inc., and applicant to dedicate all of the property lying outside the urban limit line does not occur within seven(7) years after issuance of this permit, applicant shall be obligated to surrender and abandon this permit upon expiration of such seven year period and this permit shall have no further force or effect insofar as this permit pertains to any property not then subject to a final subdivision map.

f. Road Easements. Prior to recordation of any final maps for the authorized development, the applicant shall grant to the State of California all of the applicant's interests in road easements through Topanga State Park, including Palisades Drive extension to Mollholland Drive and Temescal Canyon Road towards Sunset Boulevard.

3. Restrictions. Concurrent with the recordation of final maps as noted in 2a, 2b, 2c, and 2d above, the applicant shall record an instrument covering such parcels in a form approved in writing by the Executive Director. Such instrument shall be considered a covenant running with the land in favor of the people of the State of California, shall be recorded free of prior liens and encumbrances except tax liens and shall bind the applicant and all successors in interest. Such instrument shall provide specifically as follows:

a. Prevent further division of such dedication parcels for any purposes except park purposes outside of the urban limit line.

b. Prevent development outside of the urban limit line except as permitted by this permit or for park purposes.

c. Waive all claims against the public for damages due to flood, fire or geologic instability which may arise as a consequence of approval of development within the permitted tracts.

4. Landscaping Plans. The Applicant has submitted landscaping plans and specifications for Tract 31935 and 32184, which have been reviewed and approved by the Executive Director. The final landscaping plans shall provide that slope areas exposed by grading or other construction shall be revegetated with primary endemic

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 14

PAGE 3 OF 12

drought and fire resistant vegetation. On Tracts 31935 and 32184, landscaping shall be designed to screen and soften the visual impact of the project as seen from Topanga State Park. The areas of special landscaping concern (identified in Exhibit 4) shall be screened from view by a combination of berms and extra vegetation in conformance with the preliminary landscaping plan submitted by the applicant.

No further review of landscaping plans for Tracts 31935 and 32184 is required. Landscaping plans for the Gateway shall be submitted for review and approval by the Executive Director prior to the start of construction of any units on the Gateway.

5. Archaeological Site. Prior to the development of Tract 32184, the applicant shall undertake or fund a thorough examination and test excavation of Archaeological Site LAn - 666 as recommended in the archaeological investigation performed by Roberts S. Greenwood in June of 1976. The examination and test excavation shall be performed under the direction of a qualified Archaeologist. Development of Tract 32184 shall not proceed until excavation of all significant features of site LAn - 666 is complete. The Archaeologist shall be notified of and allowed to observe all brush clearing and grading operations within the permitted development. All contractors and construction personnel shall be advised of the potential existence of other archaeological resources; all work shall be halted and professional consultation be obtained promptly if prehistoric materials are encountered or suspected in the process of development.

6. Housing. Prior to issuance of the permit, the applicant shall enter into an agreement with the Coastal Commission to provide for affordable housing as stated below. The agreement shall bind the applicant and any successors in interest and shall be recorded as a covenant to run with the land, with no prior liens other than tax liens. The agreement shall be recorded as a covenant on the 75 unit residential site on the Gateway - (as shown in Exhibit 5) and Lot 193, Tract 32184 as shown on Exhibit 4. The agreement shall provide:

a. The applicant shall either provide 60 units of affordable dwelling units, subject to resale controls, at prices which are affordable to low and moderate income persons earning from 50-120% of median income on Lot 193, Tract 32184, or 100 units of affordable housing in the same manner on the Gateway site if and when that site is rezoned to allow such development.

b. When and if the Gateway tract is rezoned to allow for the provision of the 100 affordable units described above, the restriction on Lot 193, Tract 32184 shall terminate.

c. Upon issuance of a certificate of occupancy as to 60 affordable housing units on Lot 193, Tract 32184 or 100 affordable housing units on the affordable housing site in the Gateway the agreement shall terminate as to the 75 unit residential site in the Gateway.

d. If five (5) years after the date of the rezoning of the affordable housing site in the Gateway no construction has commenced for affordable housing thereon and if applicant thereafter dedicates the fee interest in the affordable housing site to a public housing agency the agreement to construct such affordable units shall terminate as of the date of recordation of such dedication.

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 14
PAGE 4 OF 12

e. Prior to the applicant commencing construction of the affordable housing or prior to the dedication referred to in paragraph d, applicant shall enter into an agreement, approved by the Executive Director, with a public housing authority or other agency acceptable to the Executive Director, providing that such agency agrees to construct if necessary and administer the affordability (resale) controls provided for in the Commission agreement.

f. The units shall be priced to be affordable to the range from 50-120% of median income so that an equal number of units is available in each of the following price ranges: 50%, 60%, 70%, 80%, 90%, 100%, 110%, and 120%. At least one third of the units in each range shall be three bedroom units of at least 1000 square feet. All other units, if any, shall be at least 600 square feet. Up to two thirds of all the units may be designated for elderly, and at least one third shall be designated for families.

g. The sales price in each range shall be determined by the following formula:

$$\text{Sales Price} = \frac{(1/3)(\text{median income})(\text{family size adjustment})(\text{income range}) - (\text{Homeowners Association Dues} + \text{Insurance Premiums})}{(\text{Debt Service Constant Percent})(\text{Loan to Value Ratio}) + 1\%}$$

The family size adjustment shall be as follows: for a one bedroom unit, 80% (.8); for a two bedroom unit, 95% (.95); for a three bedroom unit, 108.5% (1.085). Median income shall be the median income for a family of four as last calculated by HUD prior to the issuance by the Department of Real Estate of the Public Report for the units.

h. The affordable units shall be offered for sale subject to controls on resale, substantially as provided in the Commission's guidelines, subject to the approval of the Executive Director, in order to assure continued affordability.

i. No residential development shall take place on the 75 unit residential site in the Gateway until such site shall have been released from the agreement in accordance with either 6c or 6d above.

7. Park Facilities. Concurrent with the grading of Lots 86 and 87 of Tract 32184, the applicant shall construct trailhead facilities (including a 6-10 car parking lot, gates and signs) in vicinity of said Lots 86 and 87 substantially as shown in Applicant's Exhibit A-1, so as to provide foot trail access to an existing trail on Temescal Ridge. The applicant shall also construct a restroom facility in the vicinity of Palisades Highlands at a location designated by the State Department of Parks and Recreation in Topanga State Park or on the dedicated lands. If the applicant is unable to construct the restroom prior to completion of Tract 32184, the applicant may post a bond in an amount sufficient to fund construction by the State if such facilities are determined to be necessary by the Department of Parks and Recreation. All facilities shall be constructed to the usual specifications of the Department of Parks and Recreation, and shall be turned over to the Department for operation and maintenance.

COASTAL COMMISSION

A-341-78-A13

EXHIBIT # 14

PAGE 5 OF 12

III. FINDINGS AND DECLARATIONS:

The Commission finds and declares as follows:

1. Amendment Description. The proposed amendment to this development permit consists of expanding its scope to authorize: (a) the division of _____ acres on Tract 31935 into 137 lots for 133 single-family dwellings, 2 lots for a total of 50 condominiums (the condominiums may require a local government rezoning at a later date), one recreation lot and a 30-acre open space lot; (b) the division of 115 acres on the remaining undeveloped portion of the Palisades Highlands (Tract 32184) into 260 lots for 257 single-family dwellings, 1 site for 60 condominiums, a recreation lot and an approximately 8-acre open-space lot; (c) the division of approximately 322 acres in the "Gateway" area (immediately northerly of the intersection of Sunset Boulevard and Palisades Drive) into six separate parcels: a 10 acre site for 75 market price residential units; about 7.5 acres for church, school, or similar public serving institutional use; a commercial and parking site of approximately 2.5 acres; a site of approximately 5 acres for 100 units of affordable housing; and 2 parcels for permanent open space totalling 297 acres to be dedicated to the public; (d) the development of a 6 acre graded site into 64 condominium units on Tract 34923. The project would include approximately 3.5 million cubic yards of grading in the Palisades Highlands, and additional, comparatively minor, grading in the Gateway, for streets and building pads, and installation of drainage facilities, utilities, streets, landscaping, and improvement of the active recreational site in Tract 31935 (Exhibit 4); (e) a 1 acre recreation site adjacent to the westerly boundary of Tract 31935; and, (f) construction of single family dwellings and condominium units on each of the permitted tracts consistent with applicable City zoning standards.

The Palisades Highlands portion of the project site is vacant and in a natural state except for a small area on the north end of Tract 31935 where some grading and slope work was performed in connection with off-site improvements for another tract. The site is within Palisades Highlands which is 2 to 3 miles north of the shoreline on the southern slopes of the Santa Monica Mountains in the City of Los Angeles. Existing development in Palisades Highlands is set into a bowl graded out of Santa Ynez Canyon; the proposed tracts would be above and to the east of the existing development and along, below, and northerly of the ridge separating Santa Ynez Canyon from Pulga and Temescal Canyons.

The Gateway project site is located on both sides of Palisades Drive, immediately north of its intersection with Sunset Boulevard in the Pacific Palisades area of the City of Los Angeles. It is approximately one mile from the shoreline, and is not between the first public road and the sea. The site is adjacent to existing developed areas, and lies south of Palisades Highlands, at the southerly terminus of the Santa Monica Mountains in this part of Los Angeles. Except for Palisades Drive and a small frame structure on Parcel 1 used by applicant's employees, the site is vacant. The areas proposed for development were previously graded in conjunction with the construction of Palisades Drive and related facilities. About 25 acres of the site proposed for development are essentially level so that minimal additional grading will be required, and no alteration of significant landforms will occur. About 297 acres of the Gateway are in a natural state and would not be graded or otherwise developed.

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 14

PAGE 6 OF 12

The Palisades Highlands portion of the project authorized in this amendment is the ninth and tenth of 10 major tracts approved or proposed in Palisades Highlands. The first eight tracts, containing 1018 dwelling units on 417 acres, ("Phase I" of the overall Headland project), are nearly complete. Included in this action is the approval of 64 condominium units on a 6 acre tract (Tract 34923), which is the last vacant site in Phase I. This site was once designated for commercial use. Because the Gateway will include about 2 acres of neighborhood commercial uses, the Commission can approve residential development on all of Tract 34923.

This action of the Commission authorizes 500 units in the Phase II area of Palisades Highlands, to be concentrated on about 185 acres in two separate tracts. The permit includes development of up to 183 dwelling units on Tract 31935, grading of roads and building pads and installation of necessary subdivision improvements (streets, sewers, drains, utilities, and recreational facilities) for up to 50 high density condominiums on about 6 acres and 133 single-family dwellings (RE-15 zoning). The Commission also approves, subject to conditions, development of 317 dwelling units on Tract 32184, grading of roads and building pads and installation of necessary subdivision improvements (streets, sewers, drains and utilities) for 60 high density condominiums on about 6 acres and 257 single-family dwellings (R-1 and RE-15 zoning) on the remainder of the tract. As proposed, this project -- 500 dwelling units on 185 acres -- would have a net density of 2.71 d.u./acre. Conditions requiring dedication of substantially more than 800 acres for State park purposes will reduce the effective density to significantly less than 1 d.u. per 2 acres. Current City zoning would allow 2.93 d.u./acre. This project was specifically exempted from application of the slope-density formula applied by the City to most other hillside projects within the area. However if the slope-density formula had been applied, development would have been limited to approximately 300 units in Phase II.

Finally, this action authorized all subdivision, minor grading, installation of subdivision improvements and construction of up to 175 multiple family residential units on 15 acres of the Gateway tract. The Gateway is also to be prepared for the development of about 25,000 square feet of neighborhood commercial uses and parking on a 3 acre site and community-institutional uses on a 7 acre site. Construction of institutional and commercial structures is not authorized by this permit, as sufficient detail of design has not yet been specified. As permitted, the residential components of the Gateway project, involving a total of 175 dwelling units on 15 acres, would have a net density of 11.66 d.u./acre. Conditions requiring dedication of 297 acres for open space park purposes reduce the effective density to 1 d.u./1.8 acres.

The Gateway portion of the project is not compatible with existing City zoning. Rezoning will be necessary to implement this portion of the project, and the conditions of this permit require the applicant to use best efforts to obtain it. While rezoning should be obtainable within 2 years, if the City of Los Angeles is willing to take such action, the need for rezoning will necessarily delay implementation of the project. For this reason, the Commission has allowed 7 years for the commencement of construction under this permit. The Commission finds that the departures from existing City zoning required by this action are reasonable and necessary to bring the project into conformity with the policies of the Coastal

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 14
PAGE 7 OF 12

Act. Without them, the project could not be approved. The City's slop-density formula would have limited development on this site to about 50 residential units. However all 175 units approved in this action can be sited within already graded areas. The Commission has approved this higher density in order to reduce the amount of development in the Phase II area of Palisades Highlands, there by reducing the total amount of landform alteration. In addition, the higher density allows the applicant to provide 100 units of low and moderate cost housing at this site which is more convenient to bus lines, commercial uses and other community services, than would be sites in Palisades Highlands.

Conditions on this approval require the applicant to construct an emergency access road south from Tract 31935 to the southerly boundary of the applicant's property (adjoining the AMH project site), provide 100 units of low and moderate cost housing (especially for the elderly and families), to dedicate title to between 1067 and 1180 acres (depending on the final grading and tract boundaries) for public park purposes, and to vacate easements for road extensions through Topanga State Park. The Commission recognized that the four tracts are proposed for development in a integrated development plan. Thus the Commission has issued a single permit authoring all development (except as specified) necessary to complete these four tracts and does not intent that the applicant or his successor return for further permits, except for construction the commerical and institutional structures or the Gateway. Minor changes in design or unit which have no adverse affect on Coastal resources and which do not conflict with this approval, will be approved administratively by the Executive Director. Like all major land development projects, the project authorized by this permit will proceed in at least four major stages (one for each of the noted tracts). The conditions require permance of stated obligations (dedications, construction of facilities) phased with the development of associated tracts. However it is the intent of this Commission that this permit be considered a comprehensive and final approval, and not be voidable once any portion of the approved development is undertaken unless the applicant fails to comply with the conditions. As the development plan is integrated, so are the dedications required by the conditions. For it is only with the dedication of these lands for permanent preservation of visual ad landform resources and for public recreational use that the Commission can find the development of the four tracts on balance most protective of significant coastal resources. The dedication of these lands also provides a conclusion to the issue of continuing development in the area. With the approval of this amendment with the dedication of open space areas outside the last four tracts, the Commission and the applicant have achieved a compromise beneficial both to the public and to the developer, resolving once and for all the major Coastal Act issues of location and intensity of development, traffic impacts, amount of grading and provision of low and moderate cost housing. Therefore it is intended that once any portion of the permit is exercised or any offer dedication made, that the entire development and dedication plan proceed to completion as expeditiously as possible.

2. Coastal Resources. The major issue in the Commission's July, 1979 action were: the density of the project as it affected the traffic impact on access to the coast, the extent of grading and alteration of natural land forms as it affected scenic habitat and recreational resources and the provision of housing opportunities for persons of low and moderate incomes. Approvals of this amendment authorizes an increase in the number of units in the total project from about 600 to about 740 units, with proportionately greater impacts on the local traffic network, substantial increase in the area to the graded in the Phase II (i.e., Tract 31935 and 32184) area of Palisades Highlands from about 100 acres to about 185 acres. However, the projects originally proposed and authorized by the City's District Plan for this area would have contained 1850 units on 445 acres. In all cases the balance of the 968-acre Phase II site would be either dedicated as open space or dedicated for park purposes. Both the July, 1979 permit and this amendment provide for 100 units of affordable housing to be located on the Gateway Tract.

a. Traffic. By limiting approval of units in the Highlands and by further finding that only 500 other units in addition to the 64 townhomes on Tract 34923 and 1 residential estate can be approved in the area, the Commission can find that the ultimate direct and cumulative traffic impacts would be substantially reduced to less than about 5000 vehicle trips per day.

As conditioned by the Commission to limit the total number of dwelling units to 175, the Gateway portion of the project will have an adverse impact on local and regional traffic circulation. If all 175 residential units were market price, the project might be expected to generate about 1650 vehicle trips per day. However, since 100 units will be for persons of low and moderate income, this estimate can be reduced substantially, since such persons generally own fewer cars and use those they own less frequently. Vehicle trip generation will be further mitigated by the provision of a 2.5-acre commercial and parking site which will reduce the need for residents to travel elsewhere to secure needed goods and services. Since the commercial site will serve the Palisades Highlands as well, it will also reduce to some extent vehicle trips over Sunset Boulevard and Pacific Coast Highway by residents in developments there. The total traffic generated by the 4 tracts will amount to about 6500 vehicle trips per day. The traffic impacts from development permitted as a result of this action is significant. Because of these impacts, these projects could not be approved but for the fact that the projects as conditioned will provide beneficial impacts by preserving natural landforms, habitats, scenic vistas, granting free of charge to the public substantial lands with significant recreational potential, and providing needed affordable housing in this area of the coastal zone.

b. Alteration of Natural Landforms. The 183-unit Tract 31935 development is designed to require about 1.5 million cubic yards (mcy) of grading, most of which is a cut to remove a hillside required in order to extend Palisades Drive, the only access to the proposed new tracts. The 317-unit Tract 32184 development is designed to require about 2 million cubic yards (mcy) of grading. The developed portions of the Gateway property under the project approved here would be limited to relatively flat areas adjacent to Palisades Drive; Grading will be minimized and no material alteration of natural landforms will occur. There are no views to or along the ocean from anywhere in the area to be developed on the Gateway tract; and hillside areas will be left virtually untouched.

The project EIR for the entire project originally proposed in Phase II notes that an additional 8.0 mcy of grading would be performed to build roadways and pads for an additional 1850 units. The presently revised plan for an additional 317 DU's in the

COASTAL COMMISSION
A-381-78-A13

remainder of Palisades Highlands

would require only about 3.5 mcu, a reduction of more than 50%. Although grading for Tract 31935 averages about 1875 cubic yards of cut and fill for each dwelling unit, a large portion of this grading is necessary in order to satisfy the Secondary Access Road connection. Because of the need to make the road connection, the overall reduction of grading in the total project area and the fact that grading and lot placement has been sensitively designed to protect landforms (including the "Split Rock" formation in Tract 31935) and views of particular significance, it is determined by the Commission that this landform alteration is consistent with Section 30251 of the Coastal Act. Visual impact of the grading will be mitigated by revegetation of exposed slopes and lots consistent with Coastal Act policies, and in conformity with approved landscaping plans.

The project would result in permanent alteration of approximately 145 acres of the 185 acres in Tracts 31935 and 32184. A firm Urban Limit Line is to be established with permanently preserved buffer areas designed to protect the integrity of the local wildlife systems from both construction and residential impacts.

The project will result in alteration of only approximately 25 acres out of the total 322 acre Gateway property. The substantial acreage left intact will protect the integrity of local wildlife systems from construction and residential/commercial impacts. Based upon this fact the Commission finds this project does not involve any significant disruption of habitat values and is compatible with the continuance of surrounding habitat areas, so that it is consistent with the policies of Section 30240 of the Coastal Act.

The project is visually compatible with both the surrounding areas adjacent to Sunset Boulevard, which contain existing residential and commercial development, and with the Palisades Highlands to the north. The Commission finds that the minimal landform alterations involved are mitigated by the permanent preservation of far larger areas in a natural state. Within these conditions, the Commission finds that development on the Gateway would be consistent with the policies of the Coastal Act.

Although the amended permit allows for a significantly greater graded area, it is more protective of the undeveloped areas as they will be dedicated to park purposes. Thus, on balance the Commission finds that the project is protective of natural landforms, and, as conditioned, is consistent with Sections 30240 and 30251 of the Coastal Act.

c. Affordable Housing. Section 30213 of the Coastal Act provides that:

...housing opportunities for persons of low and moderate income shall be protected, encouraged, and where feasible, provided...

The Commission's Interpretive Guideline on New Construction of Housing, adopted on 22 January 1980, generally requires that 25 percent of the units in new residential developments be set aside for persons of low and moderate income. The Gateway development being approved in this action, considered by itself, significantly exceeds this minimum requirement by providing affordable housing which is 133 percent of the market price units proposed (100 vs. 75).

However, this Gateway project is being approved as part of a series of actions by the Commission intended to provide for the coordinated development, consistent with Coastal Act policies, of the Gateway and the remaining undeveloped portions of the

COASTAL COMMISSION

A-381-78-A13

EXHIBIT # 14

PAGE 10 OF 12

Palisades Highlands. This combined development adds a total of 640 new market rate residential units to the housing supply in the Pacific Palisades area. (183 units on Tract 31935 (Appeal No. 381-78); 64 units on Tract 34923; 317 units in the remainder of the Phase II area of the Highlands; and 75 in the Gateway). The 100 units of affordable housing are only 15.6 percent of this total; and, were it not for the other significant public benefits provided by the project, the Commission could not find that the Coastal Act's affordable housing requirement had been met.

Section 30007.5 specifically contemplates balancing of competing Coastal Act policies, and requires that conflicts be resolved in a manner which is most protective of coastal resources. With respect to affordable housing, the Interpretive Guideline on New Construction of Housing specifically provides that the Commission may require a smaller percentage of affordable housing where a project includes significant other public benefits such as "extraordinary public access or parkland dedications". The Commission finds that the Gateway and Palisades Highlands projects being approved together clearly provide such extraordinary public benefits of open space park dedication and habitat and landform preservation that reduction of the general 25 percent requirement is appropriate.

The Interpretive Guideline on New Construction of Housing also requires the Commission to consider community need for lower cost housing. The Commission notes that Pacific Palisades has a relatively high proportion of demand for housing for elderly persons. Consequently the Commission has required that up to 2/3 of the units be reserved for this group. The Commission finds that the Gateway Tract is an appropriate location to provide the project's inclusionary units as it is located on the Sunset Blvd. bus line, across the street from a neighborhood commercial center, and within 1/4 mile of both a large food store and the beach.

Because the Gateway Tract is not zoned for multiple unit development, however, there is some potential that the affordable housing would not be allowed. Therefore, the Commission has required that a 6-acre condominium site in Tract 32184, large enough for about 60 units, be held available to provide an alternative location for inclusionary housing units. If the Gateway Tract is not rezoned for higher densities (RD-1.5 or RD-2) the condominium site in Tract 32184 would be used as the site for 60 units of affordable housing. It is the intent of this condition to provide assurance that low and moderate cost housing units be constructed by the applicant and provided for purchase by qualified members of the public within a resale control program administered by a local housing agency. Although the Commission prefers that affordable units be sited in the Gateway, if such location is not allowed, a lesser number (60 units) must be provided in the Palisades Highlands Phase II area. In the event that the applicant is either unable or unwilling to construct the units, within 5 years, securing City rezoning for the higher density affordable units (i.e. to RD-2), the applicant may dedicate the site to a local housing agency provided that the applicant receives housing agency agreement to construct and maintain the units and the Executive Director of the Commission approves such agreement. The Commission recognizes that agreement of the housing agency may depend upon the applicant providing sufficient funds to enable the agency to complete the project expeditiously and actually provide the housing opportunities such a provision is entirely within the intent of this condition. Without this condition, the Commission could not find that the development of the four tracts subject to this action would be consistent with the mandate of Section 30213 which states "...housing opportunities for persons of low and moderate income shall be protected, encouraged and where feasible, provided."

COASTAL COMMISSION
A-381-78-A13

EXHIBIT # 14
PAGE 11 OF 12

d. Archaeological Resources. The archaeological survey performed for the EIR on the Phase II area, noted that there are two significant pre-historical sites in the area. One of these, site LAn-666 is located within the area to be totally altered during grading for Tract 32184. The other site is outside the area to be developed. The EIR survey noted:

The milling stone site LAn-666 is a highly significant cultural resource with the potential for contributing important data for research into the cultural history of the Santa Monica Mountains and the broader sequence of development in Southern California.

The report recommended that the site be excavated and analyzed prior to grading, as a mitigation for its destruction. Conditions on this approval incorporate the recommendations of this report in conformance with Section 30244 of the Coastal Act. Only with these conditions can the Commission find the project consistent with the policies of the Coastal Act. The report also notes the potential existence of other archeological resources. Therefore the Commission's conditions require that the applicant notify a qualified archeologist before starting any grading or brush clearing in the Phase II area (Tracts 31935 and 32184), allow the archeologist to be present to observe such operations, and to require that work stop if new archeological sites are found, while appropriate mitigation is undertaken. Only with these conditions can the Commission find the proposed development of Tracts 31935 and 32184 consistent with the policies of the Coastal Act.

4. Precedent. As the Commission noted in its findings in July of 1978, these tracts may be approved only because the significant impacts of buildout have been identified and mitigated to the maximum extent feasible, in a comprehensive review of all potential large scale development in Pacific Palisades. The Commission is fully aware that the scope of these approvals is one which is generally more appropriate to a Local Coastal Program. However, because of the already extensive planning and permit reviews of this project by the City of Los Angeles the City's reluctance to further review this area in its Local Coastal Program and the extent of mitigation as offered by the applicant and confirmed by the conditions, the Commission finds these projects may be approved prior to certification of the City's LCP. In conformance with Section 30625 of the Coastal Act, this decision shall guide preparation of the Local Coastal Program for this area.

COASTAL COMMISSION
A-31-78-A13

EXHIBIT # 14
PAGE 12 OF 12