

**CALIFORNIA COASTAL COMMISSION**

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Hearing Date: 1/12-14/11  
Commission Action:

# TH 19a

## STAFF REPORT: MATERIAL AMENDMENT

**AMENDMENT**

**APPLICATION No.:** 5-91-286-A8

**APPLICANT:** City of Los Angeles

**PROJECT LOCATION:** 15101 Pacific Coast Highway, Potrero Canyon, Pacific Palisades, City of Los Angeles

**DESCRIPTION OF CURRENT AMENDMENT #8:** Amend Special Condition #3 to allow for the sale of six of the remaining twenty City owned canyon rim lots (15229/15233, 15237, 15241, 15253, 15261 and 15265 De Pauw Street). The money would be directed to an established Trust Fund and used solely for the completion of remaining phases of development of the Potrero Canyon Park Restoration Project. Specifically, monies generated from the sale of these six lots would fund construction of final grading within the canyon and park development for the Potrero Canyon Park Restoration Project. Permission to sell additional lots will require application for a subsequent amendment.

**DESCRIPTION OF ORIGINAL COASTAL DEVELOPMENT PERMIT:** Installation of approximately three million cubic yards of clean fill dirt in Potrero Canyon: First Phase (now completed) entailed installation of subdrain system, storm drain, and 25 feet of fill; Second Phase includes 75 additional feet of fill, some deep excavations of landslides and reconstruction of buttress fills along canyon sides; and Phase Three is the construction of additional buttress fills, park and restored riparian habitat area.

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### SUMMARY OF STAFF RECOMMENDATION:

Staff is recommending **Approval** of the proposed coastal development permit amendment with a special condition. The special conditions would: 1) compliance with all previously approved conditions of approvals; 2) modify special condition number 3 of the original permit related to the timing for the sale of the City-owned residential lots to allow the sale of six lots; 3) require the applicant to agree to constructing the park and riparian area during the completion of the main canyon grading; and 4) annual progress and accounting report.

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## **PRIOR AMENDMENTS**

**DESCRIPTION OF AMENDMENT #7:** Add an additional 161,000 cubic yards of fill for the construction of a 130 foot high, 2:1 fill slope near the mouth of the filled canyon along the eastern slopes of the canyon. The fill slope will be constructed on two private properties along the rim of the canyon and on City property to stabilize the slope. A drainage system, consisting of terrace drains and down drains will be incorporated into the fill slope.

**DESCRIPTION OF AMENDMENT #6:** Amend Special Condition #3 to allow for the sale of two of the twenty-two City owned canyon rim lots (615 and 623 Alma Real Drive). The money would be directed to an established Trust Fund and used solely for the completion of all remaining phases of development of the Potrero Canyon Park Restoration Project. Specifically, monies generated from the sale of these two lots would fund additional needed geologic investigations of Potrero Canyon, and creation of final grading plans and final park plans for the canyon. Permission to sell additional lots will require application for a subsequent amendment.

**DESCRIPTION OF AMENDMENT #5:** Incomplete submittal, returned due to inactivity.

**DESCRIPTION OF AMENDMENT #4:** Amend Phase Two of a slope stabilization and canyon fill project to repair landslide failures between Alma Real Drive and Friends Street up to the 231 Alma Real Drive rear property line and at 15202 Earham Street (Wachtel property). The project will use approximately 300,000 cubic yards of fill now stock-piled at the site to extend buttress fill to two additional residential lots in order to stabilize hillsides at both sites. Amendment approved August 7, 2003 but never issued.

**DESCRIPTION OF AMENDMENT #3:** Realign an approximately 560 foot long segment of a one-mile long fire/access road to be incorporated into landslide repair plans. Landslide repair includes demolition of Sunspot Motel, excavation of debris and importation of fill and construction of approximately 180 foot high, 87,000 cubic yard buttress fill. Amendment approved October 10, 1996.

**DESCRIPTION OF AMENDMENT #2:** Amend Potrero Canyon fill project Phase Three to: 1) lower final height of canyon floor to approximately 89 feet above flow line, 2) change interior road configuration to one fire lane/access trail 12 feet wide through the facility from Pacific Coast Highway to the Pacific Palisades Recreation Center, 3) increase riparian area from 7.4 acres to a maximum of 7.9 acres, 4) redesign configuration of buttress fills, 5) extend deadline for final engineering plans, and 6) install surface water diversion system. Amendment approved October 14, 1995.

**DESCRIPTION OF AMENDMENT #1:** Withdrawn.

**LOCAL APPROVALS RECEIVED:** Los Angeles City Coastal Development Permit 85-21, D.M. 7197; C.C. No. 11; EIR Department of Recreation and Parks, June, 1985.

## **SUBSTANTIVE FILE DOCUMENTS:**

1. Coastal Development Permits 5-86-958, 5-91-286 and approved amendments (City of Los Angeles, Department of Recreation and Parks).
2. City of Los Angeles Geotechnical Engineering Division, "Interim Design Report, Potrero Canyon Park Development Study," Updated October 5, 2010.

3. City of Los Angeles Geotechnical Engineering Division, "Pre-Design Report, Potrero Canyon Park Development Study," dated March 18, 2008.
4. City of Los Angeles Geotechnical Engineering Division, "Geotechnical Report, Potrero Canyon Park, Pacific Palisades, City of Los Angeles," dated March 11, 2008.
5. City of Los Angeles Geotechnical Engineering Division, "Geotechnical Real Estate Disclosure, Lot #38 of Tract 9377, 615 Alma Real Drive, Pacific Palisades, CA 90272," dated March 19, 2008.
6. City of Los Angeles Geotechnical Engineering Division, "Geotechnical Real Estate Disclosure, Lot #39, 623 Alma Real Drive, Pacific Palisades, CA 90272," dated March 19, 2008.
7. City of Los Angeles, Ordinance #179472 – Added Chapter 147 of Division of the Los Angeles Administrative Code – Potrero Canyon Trust Fund, adopted December 11, 2007.

### **PROCEDURAL NOTE**

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 project is a substantial change from that previously approved. Therefore, pursuant to Section 13166 of the Commission's regulations, the Executive Director is referring this application to the Commission.

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### **I. STAFF RECOMMENDATION:**

Staff recommends that the Commission adopt the following resolution:

**MOTION:** *I move that the Commission approve the proposed amendment to Coastal Development Permit No. 5-91-286 pursuant to the staff recommendation.*

### **STAFF RECOMMENDATION OF APPROVAL:**

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

**RESOLUTION TO APPROVE A PERMIT AMENDMENT:**

The Commission hereby approves the coastal development permit amendment on the ground that the development as amended and subject to conditions, will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amended development on the environment, or 2) there are no feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the amended development on the environment.

**II. STANDARD CONDITIONS**

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

**III. SPECIAL CONDITIONS****1. Conditions Imposed Under Original**

Unless specifically altered by this amendment, all regular and special conditions attached to Coastal Development Permit No. 5-91-286 and/or amendments thereto shall remain in effect. If the specifications of any plans approved to comply with permit 5-91-286 are inconsistent with either the project description submitted with this amendment or the conditions imposed by this amendment, the applicant shall submit new plans to the Commission, for the review and approval of the Executive Director, that are consistent with the terms and conditions of this permit as modified by this amendment 5-91-286-A8.

## **2. Modify Special Condition No. 3 (Acceptance of Conditions, Timing of Sale of Residential Lots)** (Added language is shown as underlined):

A1. Within 90 days of the Commission's action on this permit, the City Council of the City of Los Angeles shall adopt an ordinance, resolution or other action deemed appropriate by the Executive Director accepting the terms and conditions of this permit. The ordinance shall further specify that the City shall not offer for sale any of the city-owned residential lots adjacent to the canyon until the riparian habitat and park construction outlined in these conditions has been completed, the park open for public use, and a source of funds for its inspection and continued maintenance has been identified.

A2. Notwithstanding section A.1. of this condition, the City may sell any lots adjacent to the canyon prior to completion of the park and riparian habitat only if the funds acquired from the sale are deposited into the City's Potrero Canyon Trust Fund for exclusive use for the completion of the Potrero Canyon Park Restoration Project. Any future sale of lots beyond those approved in this permit shall require Commission approval through a permit amendment. When the city-owned residential lots adjacent to the park property are sold, each deed shall include a restriction that gives notice to the buyer that the park created by this restoration program has been deeded for public purposes in perpetuity.

B. Permit the sale of two of the city-owned residential lots restricted in Special Condition 3A, specifically located at 615 and 623 Alma Real Drive. Monies from the sale of the specified lots will be directed to the Potrero Canyon Trust Fund and be used to fund additional geologic investigation within Potrero Canyon, and for the design of final grading plans and park plans for the Potrero Canyon Park Restoration Project.

C. Permit the sale of six of the city-owned residential lots restricted in Special Condition 3A, specifically located at 15229/15233, 15237, 15241, 15253, 15261 and 15265 De Pauw Street, as generally depicted in Exhibit No. 2 attached to this staff report. Monies from the sale of the specified lots will be directed to the Potrero Canyon Trust Fund and be used to fund construction of the approved Potrero Canyon Restoration Project.

D. After close of escrow for the sale of the lots indicated in section C. of this condition, the City shall submit to the Executive Director, for his review and approval, documentation verifying that the funds acquired from the sale of these lots have been deposited in the Potrero Canyon Trust Fund.

## **3. Scheduled Park and Riparian Improvements**

The City shall submit a written agreement, prior to issuance of this amendment for the review and approval by the Executive Director, stating that park and riparian improvements approved in the original permit and subsequent amendments shall be completed as part of the City's completion of the main canyon grading and park development. If an amendment is required for revised grading and park plans, the amendment shall be submitted by the applicant and approved by the Commission prior to any future lot sales.

#### **4. Progress Report**

The applicant shall agree in writing, prior to issuance of this amendment for the review and approval by the Executive Director, to submit an agreement, commencing one year from the date of Commission approval of this amendment, an annual report detailing the progress of the Potrero Canyon Restoration Project and an accounting of the expenditure and projected expenditure of funds from the Potrero Canyon Trust Fund.

#### **IV. FINDINGS AND DECLARATIONS**

The Commission hereby finds and declares:

##### **A. Amendment Project Description**

The City of Los Angeles Department of Recreation and Parks proposes to amend a previously issued Coastal Development Permit (CDP) that allowed the City to fill a coastal canyon (Potrero Canyon) to protect the homes on the canyon rim from landslides. Potrero Canyon is located approximately .5 miles north of Chautauqua Boulevard and .5 miles south of Temescal Canyon Road in the Pacific Palisades area of the City of Los Angeles (see Exhibit No. 1).

The City requests to modify Special Condition #3 of the original CDP to allow for the sale of six additional City owned lots prior to the completion of the grading and construction of the public park and riparian habitat (see Exhibit No. 2-4 for location of properties). The six lots include:

15233/15229 W. De Pauw Street  
15237 W. De Pauw Street  
15241 W. De Pauw Street  
15253 W. De Pauw Street  
15261 W. De Pauw Street  
15265 W. De Pauw Street

The City purchased twenty-two residential properties located along the canyon rim as a consequence of litigation due to unsafe conditions created by landslides within the canyon. Under the original CDP the Commission included a special condition that restricted the City from selling any of these residential lots until the park and habitat mitigation component of the canyon fill project had been installed.

Funds generated by the sale of the City owned residential lots are directed to the Potrero Canyon Trust Fund (PCTF). Potrero Canyon Park Trust Fund is an account established by the City in 2008 (see Exhibit No. 5) to hold and distribute money solely for the completion of all remaining phases of development of the Potrero Canyon Park Restoration Project.

The original approved construction plans for the Potrero Canyon Park Restoration Project have never been completed, and progress stopped completely in 2004 due to lack of funding. The canyon currently exists in a partially graded state with approximately sixty-five percent of the original grading completed. In order to fund the remainder of the Potrero Canyon Park project additional lot sales will be required. Permission to sell lots to fund additional work requires Commission approval through permit amendments.

## **B. Project History**

Coastal Development Permit 5-91-286 as presently amended allows the City to place a large volume of fill in Potrero Canyon, a coastal canyon inland of Pacific Coast Highway. Before the fill occurred there was a blue line stream and 3.64 acres of riparian vegetation, primarily willow woodland at the bottom of the canyon. The sides of the canyon were covered with coastal sage scrub. The fill in the canyon was necessary because landslides had resulted in the loss of twenty homes and endangerment of other homes. The original permit included about 3 million cubic yards of fill, including fill 100 feet above the flow line of the stream, plus additional buttress fills, wedges of earth, extending up to the level of existing lots on the canyon rims. After denial of the initial permit application, Coastal Development Permit 5-86-958 was granted in 1988 and reissued as 5-91-286 in September 1991, after the initial permit expired. The Commission found that the development as proposed was not consistent with Section 30231 and 30240 of the Coastal Act and could only be approved if the applicant agreed to restore the riparian habitat area that had existed in the canyon bottom at a 2:1 ratio. The City proposed 7.4 acres of mitigation to be constructed as an artificial riparian area on top of the fill at the completion of the project (Phase Three). The City proposed a first amendment (5-91-286-A1), the first draft of the Phase Three plans, but withdrew the amendment in order to conduct community meetings on the design of the riparian mitigation. The City's second amendment, 5-91-286-A2, proposed restoring 7.9 acres of riparian habitat, located in a basin protected by a plastic liner such as is used in landfill projects. In 1993, the Commission approved the final design of the upper buttress fills, and a 12-foot wide fire road/trail access through the canyon. The City also provided a final conceptual design of the riparian area that was ultimately approved in concept by the Commission (5-91-286-A2). The third amendment (5-91-286-A3) that was approved with conditions by the Commission allowed a design change in the road at the canyon entrance. The fourth amendment (5-91-286-A4) that was approved with conditions by the Commission proposed to amend Phase Two of the slope stabilization and canyon fill project to repair landslide failures between Alma Real Drive and Friends Street. Amendment No.4 was never issued due to more recent slides that have occurred in the proposed project vicinity that have warranted a more significant stabilization plan than what was approved previously.

In 2008, the Commission approved amendment no. 6, for the sale of two of the twenty-two City owned canyon rim lots (615 and 623 Alma Real Drive). The lots have recently been sold and generated approximately \$4.6 million. The money has been placed in the City's Potrero Canyon Trust Fund (PCTF). According to the City, the money generated by the sale of the initial two lots will be used to fund the initial phase of construction that consists of repair of the slope below 211 and 231 Alma Real Drive (Amendment No. 7).

Amendment No. 7, approved in October 2009, allowed an additional 161,000 cubic yards of fill for the construction of a 130 foot high, 2:1 fill slope near the mouth of the filled canyon along the eastern slopes of the canyon to stabilize the slope below the two private properties. This slope repair is anticipated to require all of the funds currently in the PCTF.

The initial grading for the canyon project consisted of three phases. Phase One included clean out of the canyon and installing of a storm drain. Phase One was completed in 1990. Phase Two was to consist of the importation of 2.5 million cubic yards of fill to raise the canyon grade considerably. During construction it was found that the required removal of existing landslide debris was not practicable without the deep removals to expose undisturbed bedrock, necessitating the creation of several stabilization fills in addition to the level fill. Approximately sixty-five percent of the proposed grading was completed prior to 2004 when a lack of funding caused work to cease. Phase Three is planned to involve the creation of additional stabilization fills and the creation of open space and installation of the required habitat and mitigation areas.

### **C. Grading**

The entire canyon project was approved because the City supplied the Commission convincing evidence that there was no other feasible way to stop ongoing collapse of the canyon walls and destruction of privately owned houses located on the canyon rim. This present amendment would allow for the sale of six additional City owned residential lots to continue planning and construction of the canyon project.

Section 30253 of the Coastal Act states in part:

*New development shall:*

*(1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.*

*(2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.*

The City's Geotechnical Engineering Division (GED) has recently undertaken a review of the available historical records for Potrero Canyon related to the canyon stability project and subsequently produced a Geotechnical Report summarizing their findings. The GED report estimates that based upon their preliminary investigation the grading project, as originally approved, is approximately sixty-five percent complete. Most of the upper reaches of the canyon appear to have been filled to an elevation within a few feet of the finished rough grade. The majority of the remaining required fill is in the southern, seaward portions of the canyon. GED estimates that approximately 500,000 cubic yards of compacted fill still needs to be placed within the canyon.

The remaining project (Phase Three) has been divided into four Units. The four Units are as follows:

Unit 1, Elkus – Pardee - This unit includes a portion of the east side of canyon wall in the southerly portion of the project. During the 2005 winter storms, the upper portion of the slope at the rear of 211 and 231 North Alma Real Drive, owned by the Elkus and Pardee families, had failed. This is a relatively shallow but steep failure that occurred within the upper portion of the canyon wall. There is current litigation between the property owners and the City. In an effort to solve the litigation problems and to initiate the project, the grading of Unit 1 will proceed first.

Unit 2, Main Canyon Grading and Park Development - Unit 2 includes most of the northerly portion of the canyon. A geotechnical study has been prepared by URS [geotechnical consultants] under the direction of GEO [Geotechnical Engineering Group] which provides data, analyses and recommendations for the grading of the canyon walls.

Unit 3, Friends Street Slope - Unit 3 includes the area along the west wall of the canyon opposite Unit 1. A detailed geotechnical investigation by GEO was prepared for a sewer and storm drain project that extends from Friends Street beneath the slope into the canyon. The previously collected data will be used to address the proposed park development in this area. This geotechnical data will be submitted to the DBS [Department of Building and Safety] in a separate report.

Unit 4, PCH Slope – Unit 4 includes the slope that extends from Pacific Coast Highway to Friends Street. This slope was graded during the earlier phases of grading, under the consultant’s oversight. More recently obtained geotechnical data indicates that this slope is potentially unstable. Additional geotechnical studies are recommended to address this area. The work within this unit may include the construction of a pedestrian bridge over Pacific Coast Highway to provide a connection between the beach and the park. There are no structures for human habitation at the top and bottom of the slope. Reducing the acceptable calculated factor of safety may reduce the cost of mitigating the stability of the slope. However, a reduced stability may have consequences affecting the overall safety of park users utilizing any future bridge over PCH.

Unit 1, slope stabilization at 211 and 231 Alma Real Drive, is being funded by the previous sale of the City’s two lots (Amendment No. 6). The lots have recently been sold and generated approximately \$4.6 million. The money has been placed in the City’s Potrero Canyon Trust Fund (PCTF). This slope repair is anticipated to require all of the funds currently in the PCTF. Final grading plans for the slope stabilization work have been completed and the City is preparing to award a contract for the grading work to begin.

The City projects that the revenues from the sale of the additional six residential lots will generate approximately \$7.6 million. Currently, the only identified funding source for the project is from the sale of the City owned lots. The City’s budget analysis indicates that completion of units 2 and 3, which involves the park and riparian landscaping within the canyon will cost approximately \$21.5 million to complete. The funds generated by the sale of the six lots will not cover the entire cost of completing units 2 and 3. Furthermore,

projected sales of all 22 City owned lots is estimated to generate approximately \$29.3 million. Preliminary analysis by the City indicates that based on the projected sales and estimated cost of planning and construction there will be a shortfall of approximately \$9.5 million for the entire project (see Exhibit No. 8, Potrero Canyon Preliminary Budget Summary). There is a concern that with the projected shortfall the sale of all City owned lots will not generate enough funding to complete the project, including the park and riparian habitat. However, according to the City, these estimates are based on rough estimates and as the project proceeds better cost estimates become available and the shortfall will be addressed through: reanalysis of grading costs using accurate costs once contractor bids are received; deferring City labor costs; deferring repayment of reserve fund loan; acquiring additional funding sources; or modifying the project to fit within the available funding.

According to the City's projected work schedule, the City plans to sell the remaining 20 lots, including the six lots pursuant to this permit, in groups of five or six over the next 2-3 years in order to provide adequate funding for the project and not to flood the local real estate market. The sale of all remaining lots is necessary to complete the Potrero Canyon Park Project. The project is scheduled for completion in 2015 (see Exhibit No. 7).

According to the City, completion of the original approved Potrero Canyon Park Project requires sales of the City owned lots to help finance the final planning and construction of the project since the only source of funding for the completion of the project is from the sale of the City owned lots located along the Canyon's rim. The City proposes to utilize funds generated from the sale of the six residential lots, that are subject of this permit, to initially fund the additional grading for the main canyon and park (Unit 2) development and Friends (Unit 3) listed above. By directing funds specifically to these tasks the proposed project would be able to make progress toward completing the stabilization of the canyon and the eventual installation of the approved riparian habitat and public park.

The City has indicated that construction of Units 2 and 3 will include park and habitat construction, however, the City has provided no assurance that these improvements will be completed. The City has indicated that they are working on revised grading plans for the park and habitat plans but they have not submitted the plans at this time. Furthermore, the revised plans may require a subsequent amendment to the permit if the changes are inconsistent with the landscape and park improvement conditions of the original permit and previously approved amendments. Therefore, Special Condition No. 3 requires that the City agree, prior to issuance of this amendment, that park and riparian improvements approved in the original permit and subsequent amends shall be completed as part of the final grading of the main canyon. If an amendment is required for revised grading and park plans, a subsequent amendment shall be submitted and approved by the Commission prior to any future lot sales. Furthermore, through the sale of these six lots, and the commencement of construction by the City, the Commission will be able to adequately gauge the City's progress on completing the grading and construction of the park and habitat areas. To monitor the progress of the construction and expenditure of funds for the canyon project Special Condition no. 4 requires the applicant to submit annual reports. The reports will provide the Commission data on the construction and use of the funds and

will be able to use this information to adequately analyze any future city requests for additional lot sales or changes to the project.

The sale of the remaining fourteen City owned lots will need Commission approval, as previously conditioned, through the permit amendment process. If it is determined that significant progress has not been made toward the completion of the final grading and park development, or that re-evaluated projected funding estimates are not sufficient to complete the park and habitat development, the Commission has the option to not approve the future sale of the remaining 14 lots.

Because of lack of City funding that has stopped grading activity in the canyon since 2004, the sale of the six lots is necessary to finish the stabilization work within the canyon and for park and habitat development. All work will continue to be consistent with the originally approved permit and subsequent amendments, and any future proposed grading not previously approved will require an amendment to the original permit, as required by previous conditions. The Commission finds that, as proposed, the development is consistent with Section 30253 of the Coastal Act.

#### **D. Habitat**

Section 30240 of the Coastal Act states in part:

*a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*

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

Section 30231 of the Coastal Act states:

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

The primary impact on environmentally sensitive habitat created by the original filling of the canyon approved under the permit was the elimination of a blue line stream and concomitant destruction of 3.69 acres of riparian habitat, including willows, sycamores and associated understory. This impact was identified in the original EIR and required to be replaced at a 2:1 ratio, on site, as an EIR mitigation measure, by the Army Corps of Engineers, California Department of Fish and Game and the Commission. After further

amendments to the original permit, the required on-site replacement of riparian habitat restoration has increased to 7.9 acres total.

The original coastal development permit was conditioned so that none of the previously described City-owned residential lots could be sold until the required habitat installation was completed and open to the public. The Commission previously approved the sale of two lots (5-91-286-A6) to fund additional geologic investigation of the canyon, and the creation of final grading plans and final habitat (park) restoration plans. Final grading plans for the canyon slope below 211 and 231 Alma Real Drive have been completed and the City is preparing to award a contract for the work. The City is currently working on completing the final habitat plans and has recently met with Commission staff to discuss design issues, including fire modification requirements and riparian designs that would be compatible with the final grading plans and with the Commission's approval of the original permit and subsequent amendments.

The City has submitted this amendment to request that an additional six lots be allowed to be sold prior to completion of the park and habitat area. According to the City all work within the canyon has been stopped since 2004 because of lack of funding and the sale of the six lots will allow the City to commence work towards the completion of grading within the canyon, including park and riparian construction. According to the City, without the future sale of the City owned lots, there are currently no funds available to fund the completion of the canyon project. All funds from the sale of the lots will go into the PCTF, which was established by the City to accept funding from the lot sales, which was specifically created for use for the canyon project.

Special Condition No. 2 ensures that monies from the sale of the residential lots would be directed to the PCTF for financing the completion of all remaining phases of development of the Potrero Canyon Park Restoration Project and Special Condition No. 3 ensures that the park and riparian area are constructed along with the finished grading of the canyon. As conditioned the project is consistent with Section 30231 and 30240 of the Coastal Act.

#### **E. Public Access/Recreation**

Section 30210 of the Coastal Act states:

*In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*

Section 30211 of the Coastal Act states:

*Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.*

Section 30223 of the Coastal Act states:

*Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.*

In its 1991 approval the Commission required that the City mitigate impacts on coastal resources by preserving and enhancing the recreational use of the canyon. The Commission required that the City Recreation and Parks Department provide a picnic area and trail link from the Pacific Palisades Recreation Center to Pacific Coast Highway so that in its final form the park will provide coastal access. Due to the 200 foot high bluffs that exist throughout much of the adjacent areas in the Pacific Palisades, little foot or bicycle access is available from inland portions of the Palisades to the coastline, this park, as designed and approved could provide that access.

As stated above, the original coastal development permit was conditioned so that none of the previously described City-owned residential lots could be sold until the park and trail access were completed and open to the public. Monies from the sale of the residential lots would be used to create a final park and trail plan that would be compatible with the final grading plans for the stabilization of the canyon. Special Condition No. 2 ensures that monies from the sale of the residential lots would be directed to the Potrero Canyon Park Trust Fund, an account established to hold and distribute money solely for the completion of all remaining phases of development of the Potrero Canyon Park Restoration Project. As conditioned the project is consistent with Sections 30210, 30211 and 30223 of the Coastal Act.

#### **F. 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.*

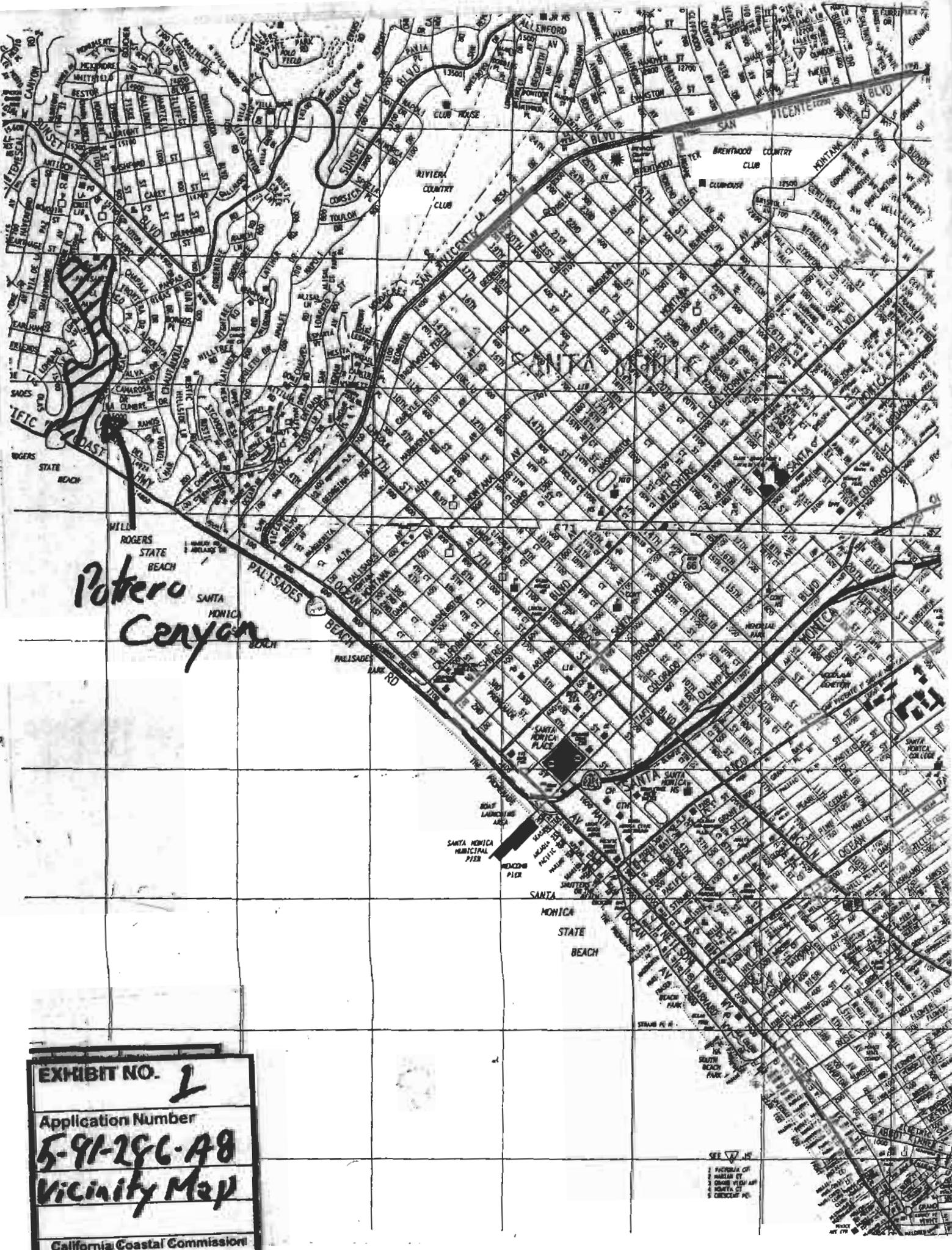
The City of Los Angeles has not prepared a draft Land Use Plan for this planning subarea. However, the City's work program to develop a Local Coastal Program considers natural hazards as an issue for this area of the City. Approval of the proposed development, as conditioned to minimize risks from natural hazards, will not prejudice the City's ability to prepare a certifiable Local Coastal Program. The Commission, therefore, finds that the proposed project is consistent with the provisions of Section 30604 (a) of the Coastal Act.

#### **G. California Environmental Quality Act**

Section 13096(a) of the Commission's administrative regulations requires Commission approval of coastal development permit applications 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.

For the part of the proposed development that is being approved, with conditions, there are no feasible alternatives or mitigation measures (beyond the conditions imposed) available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the proposed project is found consistent with CEQA and the policies of the Coastal Act.



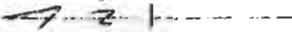
*Palisades Canyon*

**EXHIBIT NO. 1**  
 Application Number  
**5-91-256-A8**  
**Vicinity Map**  
 California Coastal Commission

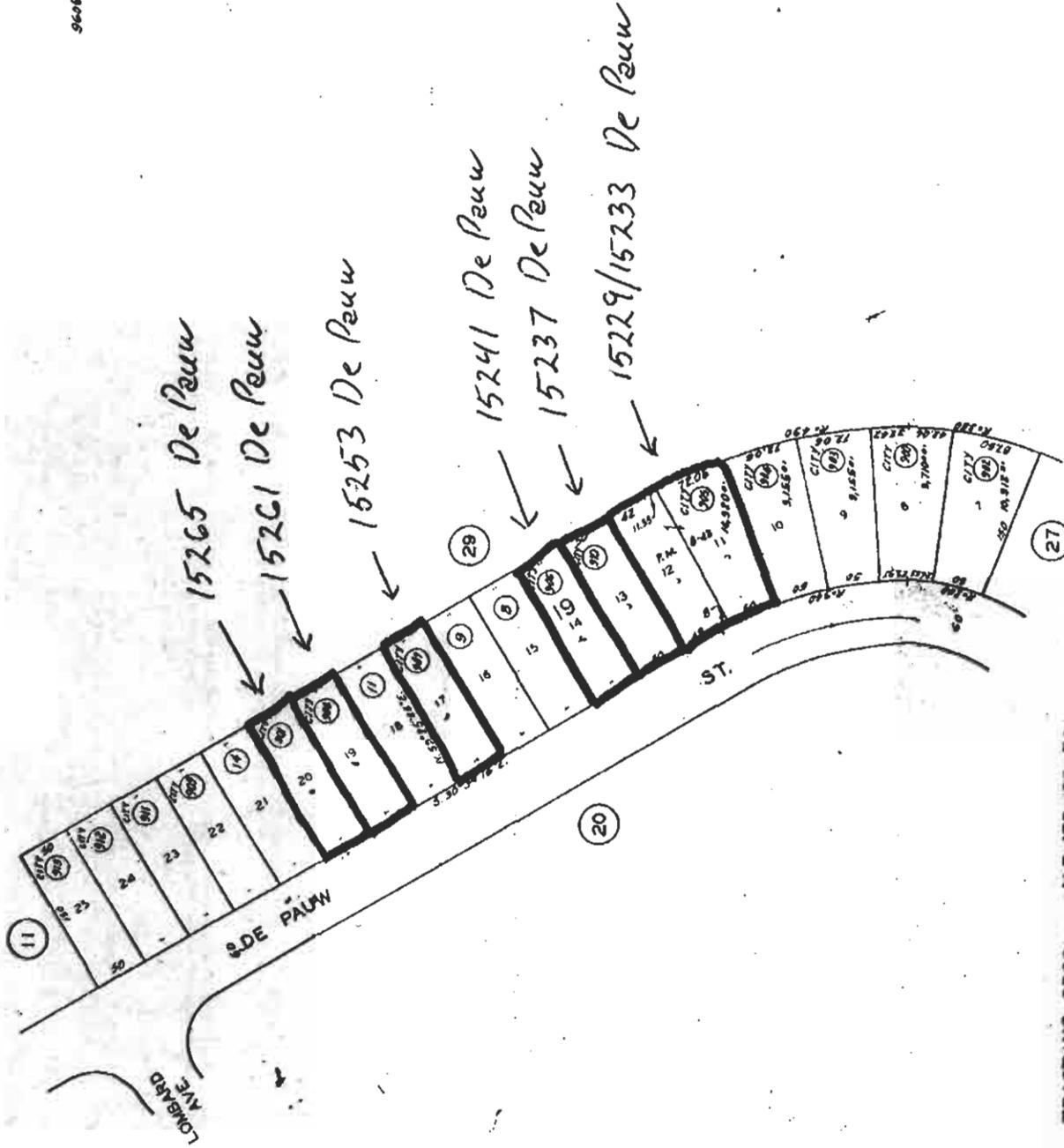
SEE 15  
 1 FACTORY CT  
 2 GARAGE CT  
 3 SANTA MONICA  
 4 CHERRY PL

4412 28 1997

SCALE 1" = 100'



RECORDED AT  
85000000-26  
1997 JUL 28  
85000000-26  
2702537-07  
960610402 001-07



TRACT NO. 9300 M.B. 128-55-78

ASSESSOR'S MAP  
COUNTY OF LOS ANGELES, CALIF.

<b>EXHIBIT NO. 2</b>
Application Number <b>5-91-286-A8</b>
<b>Parcel Map</b>
California Coastal Commission



CITY OWNED PROPERTIES TO BE SOLD  
W.O. # E170213A

**PLATE 1**

**BUREAU OF ENGINEERING  
GEOTECHNICAL ENGINEERING DIVISION**

File No. 05-159  
CADD by AMJ

**EXHIBIT NO. 3**

Application Number

*5-91-286-178*

*Site Plan of*

*Canyon*

California Coastal Commission

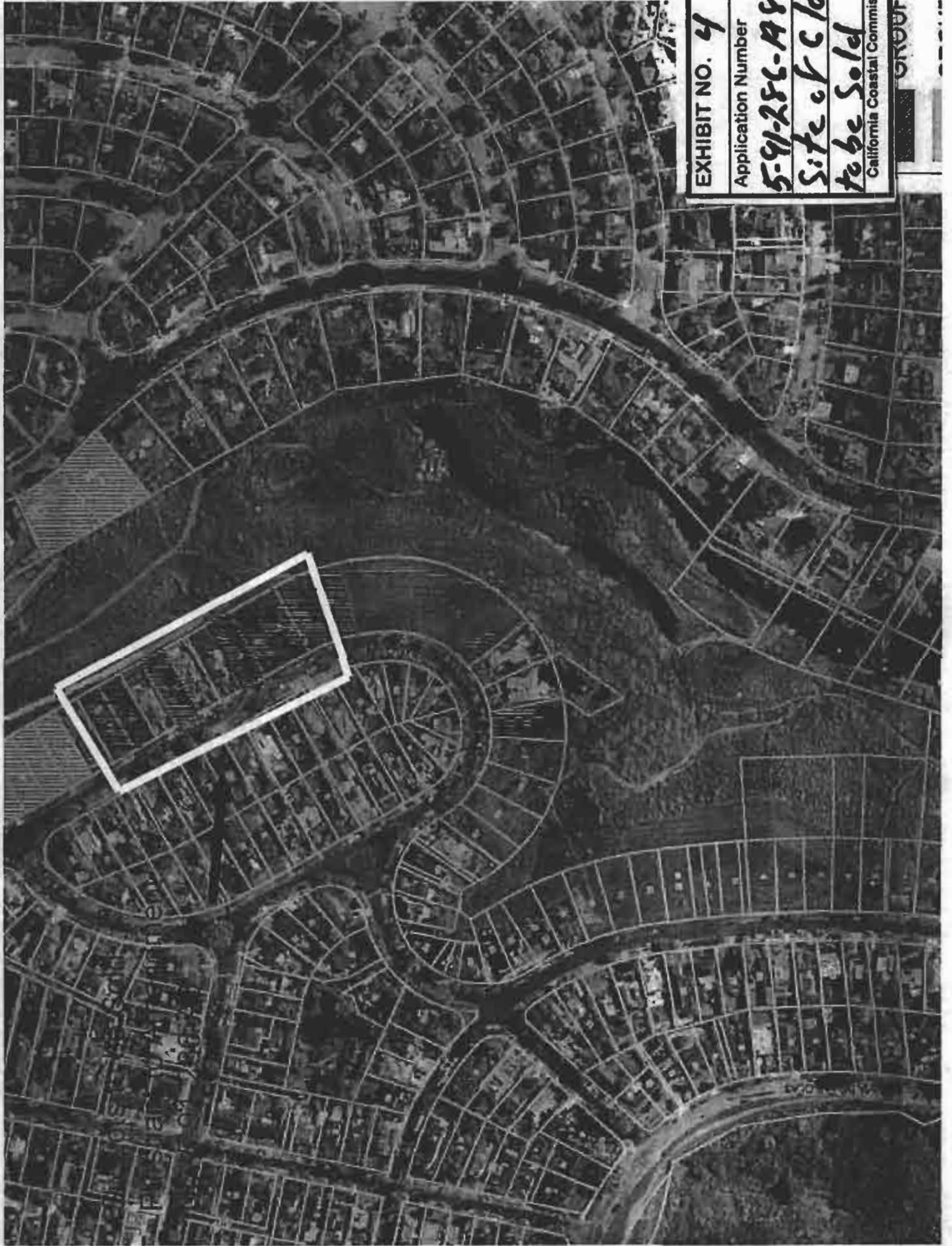


EXHIBIT NO. 4
Application Number 5-91-286-AR
Site of C lots to be Sold
California Coastal Commission

GRAND

ORDINANCE NO. 179472

An ordinance establishing a trust fund to receive the proceeds from the sale of 22 City-owned lots adjacent to Potrero Canyon and providing for expenditures from the trust fund for the purposes of completing the final phases of the Potrero Canyon Park Restoration project.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Chapter 147 of Division 5 of the Los Angeles Administrative Code is added to read:

**Chapter 147  
POTRERO CANYON TRUST FUND**

**Sec. 5.547. Creation and Administration of the Fund.**

(a) There is hereby created and established in the Treasury of the City of Los Angeles a special trust fund to be known as the "Potrero Canyon Trust Fund," (Fund). The Fund shall be administered by the Bureau of Engineering, Department of Public Works.

(b) All proceeds from the sale of the 22 lots owned by the City of Los Angeles located adjacent to Potrero Canyon Park on DePauw Street, Earlham Street and Alma Real Drive shall be deposited into the Fund. The Fund shall be used solely for completion of all remaining phases of development and attendant projects of the Potrero Canyon Park Restoration Project and, if any funds remain thereafter, for repayment or reimbursement of advances or loans from City funds.

(c) All interest and other earnings from monies deposited into the Fund shall be credited to the Fund and shall be devoted to the purposes of the Fund, as stated in this chapter.

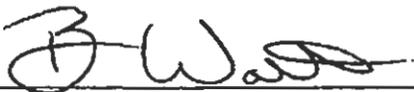
(d) Appropriations from the Fund shall be approved by the City Council.

EXHIBIT NO. <b>5</b>
Application Number <b>5-91-286-1A8</b>
<b>Potrero Canyon Trust Fund Ord.</b>
California Coastal Commission

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC 11 2007.

FRANK T. MARTINEZ, City Clerk

By  Deputy

Approved \_\_\_\_\_  
\_\_\_\_\_  
Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By   
MARK L. BROWN  
Senior Assistant City Attorney

Date 12-10-07

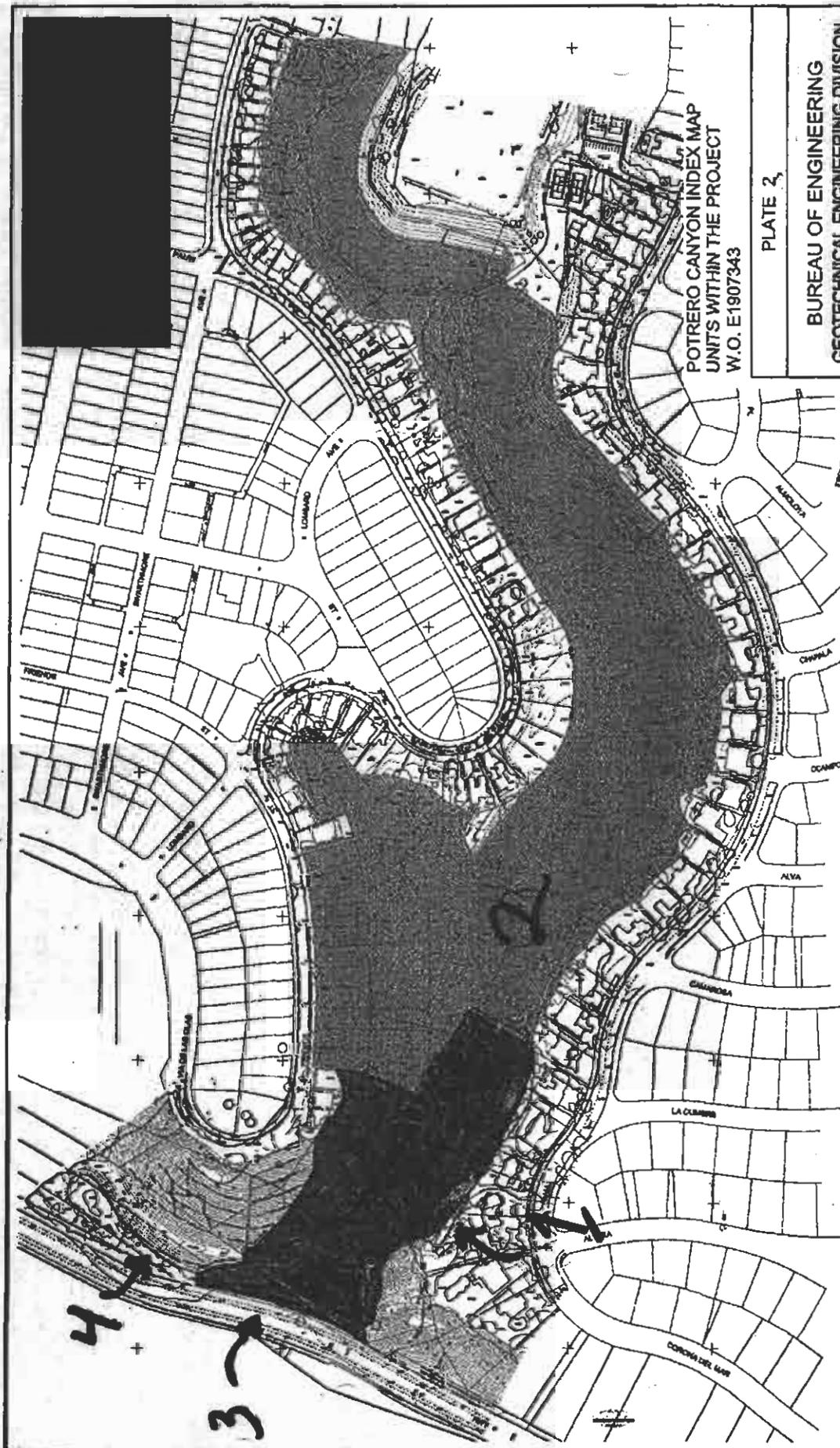
File No. 04-1587

Said ordinance was presented to the Mayor on December 11, 2007; the Mayor returned said ordinance to the City Clerk on December 24, 2007 without his approval or his objections in writing, being more than ten days after the same was presented to the Mayor.

Said ordinance shall become effective and be as valid as if the Mayor had approved and signed it. (Section 250(b), City Charter)

C.F. 04-1587





POTRERO CANYON INDEX MAP  
 UNITS WITHIN THE PROJECT  
 W.O. E1907343

PLATE 3

BUREAU OF ENGINEERING  
 GEOTECHNICAL ENGINEERING DIVISION

File No. 05-159  
 CADD by AMJ Checked by

- UNIT 1 - ELKUS/PARDEE SLOPE REPAIR
- ▨ UNIT 2 - MAIN CANYON GRADING AND PARK DEVELOPMENT
- UNIT 3 - FRIENDS STREET SLOPE
- UNIT 4 - PCH SLOPE

**EXHIBIT NO. 7**  
 Application Number  
**5-91-286-A8**  
*Location of*  
*Project Planning*  
 California Coastal Commission

NOT TO SCALE. THIS MAP IS A SUMMARY OF THE INFORMATION SHOWN ON THE ORIGINAL PLANS AND SHOULD NOT BE USED FOR CONSTRUCTION OR OTHER PURPOSES WITHOUT CONSULTATION WITH THE ENGINEER OF RECORD.



# POTRERO CANYON PRELIMINARY BUDGET SUMMARY

Revised September 24, 2010

**Estimated Construction and Management Costs For Units 1,2 and 3**

Unit 1, Grading and Slope Repair	\$5,039,923.13
Unit 1, Landscape and Park Development	\$700,864.00
Unit 2 and 3 Grading, Landscaping and Park Development	\$21,575,323.00
TAC Consultant costs	\$42,500.00
<b>SubTotal</b>	<b>\$27,358,610.13</b>

**Estimated Construction Costs For Unit 4**

Unit 4 Grading and Landscaping	\$3,304,464.00
Unit 4 Pedestrian Bridge over PCH	<u>\$3,024,945.00</u>
<b>Subtotal</b>	<b>\$6,329,409.00</b>

**Subtotal of Design and Construction, Units 1,2,3 and 4** **\$33,688,019.13**

**Outstanding Debts**

Recreation and Parks Reserve Fund Loan	\$4,480,000.00
Bureau of Engineering, Outstanding Staff costs	<u>\$682,312.00</u>
<b>Total</b>	<b>\$5,162,312.00</b>

**Estimated Expenditures**

Outstanding Debts – Total from above	\$5,162,312.00
Estimated Construction Costs – total from above	<u>\$33,688,019.13</u>
<b>Total</b>	<b>\$38,850,331.13</b>

**Available Funding**

Funds Currently in the Potrero Canyon Trust Fund	\$4,662,393.00
Funds Anticipated from the Future Sale of Properties	<u>\$24,700,000.00</u>
<b>Total Anticipated Funds</b>	<b>\$29,362,393.00</b>

**Current Shortfall**

Current Design and Construction Costs w/Debts	\$38,850,331.13
Anticipated Revenue	<u>\$29,362,393.00</u>
<b>Anticipated Shortfall</b>	<b>-\$9,487,938.13</b>

**EXHIBIT NO.** 8

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**Application Number**  
5-91-286-MS

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*Budget Summary*

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California Coastal Commission