CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE 200 OCEANGATE, SUITE 1000 LONG BEACH, CA 90802-4302 (562) 590-5071



W11d

June 12, 2012

ADDENDUM

To: COMMISSIONERS AND INTERESTED PERSONS

From: SOUTH COAST DISTRICT STAFF

Subject: STAFF REPORT ADDENDUM for Item W11d

Coastal Development Permit Application No. 5-12-121 (Laguna Isla Vista, LP, Laguna Beach Luxury Hotel LLC & Driftwood Properties, LLC,

Laguna Beach)

Coastal Commission staff recommends the following modifications to the staff report.

Deletions are shown with strikethrough and additions are underlined.

1. Modify Special Condition 2 on page 5 of the staff report as follows:

Recordation. Within 60 30 days of the Commission's approval of the 2. permit, the Executive Director will prepare a report that reflects the Commission's final action, entitled "Adopted Findings," and transmit said report to the applicants. Within 30 days of issuance of the Adopted Findings report, and PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit to for the review and approval of the Executive Director, in a form and content acceptable to the Executive Director and suitable for recording with the Orange County Clerk-Recorder for recordation a notice against the subject lots containing , an acknowledgement of the fact that the Commission has provided after-the-fact approval of the three (3) lots depicted and described for the 122 acre site in City of Laguna Beach Lot Line Adjustment LLA 95-01 (LLA 95-01) (i.e. one 46.65 acre lot, one 74.81 acre lot, and one 0.53 acre lot), which notice shall be in the form attached hereto as Exhibit 5 (the "Notice") and shall include the following two exhibits as attachments to the Notice: (a) the Adopted Findings and (b) a formal legal description and graphic depiction certified by a licensed surveyor as of a recent date of the lot/lot boundaries approved for the subject site pursuant to this coastal development permit, as generally depicted on Exhibit 3 to the staff report and findings dated May 31, 2012, unless a current title report shows no new exceptions to title since the date of the City of Laguna Beach's approval of LLA 95-01 (March 23, 1995) which

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may affect lot boundaries, in which case a new survey shall not be required and the Notice shall have only the one exhibit. Upon receipt of evidence that the Notice has been recorded The acknowledgement shall state that the Commissionapproved lot boundaries under this coastal development permit supersede and replace any and all previous lot boundaries that may have existed for the subject 122 acre site that depict any different lot configuration than the lot configuration approved under this coastal development permit, including but not limited to lot boundaries formed through any patent, deed transfer, lot line adjustment, subdivision, and/or lot merger. WITHIN 60 DAYS OF THE DATE OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT BY THE EXECUTIVE DIRECTOR, the applicants/landowners shall execute and record the acknowledgment, including the graphic depiction and legal description approved by the Executive Director against all of the subject lots., the Executive Director will issue the permit. If the Orange County Clerk-Recorder rejects the form of the Notice, as depicted in Exhibit 5, when the applicants submit the Notice for recordation, then the applicants shall submit a revised form of notice to the Executive Director, for his review and approval, conforming as closely as possible to the Notice in Exhibit 5 but modified to make it acceptable to the Orange County Clerk-Recorder. Within 30 days of the Executive Director's approval of the revised notice, the applicants shall submit to the Orange County Clerk-Recorder for recordation against the subject lots the revised notice, containing the same exhibit(s) described, above, in this special condition. Upon receipt of evidence that the revised notice has been recorded against all of the subject lots, the Executive Director will issue the permit.

2. Modify page 8 of the staff report as follows:

The Proposed 'Development' is Located in the Commission's Jurisdiction

In reviewing its files Commission staff discovered that the Laguna Beach post-cert map inaccurately depicts the area of deferred certification in the vicinity of the mobile home park. When the Commission certified the Land Use Plan (LUP) for southern Laguna Beach in 1992, the Commission identified Hobo Canyon (a.k.a. Mayer Group/Mahboudi-Fardi and Esslinger Property) as an area raising Coastal Act concerns that were not adequately addressed in the LUP. The Commission therefore carved Hobo Canyon out as an area of deferred certification to which the LUP did not apply. The post-cert map for the City of Laguna Beach that the Commission approved in 1993, however, depicts significant portions of the mobile home park as being within the City's coastal development permit jurisdiction. The following are examples from the findings which make clear that the entire Hobo Canyon site was to be deferred:

On page 16 of the Revised Findings adopted November 17, 1992 for Laguna Beach Land Use Plan Amendment 1-92, the findings state:

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At the Hobo Canyon area (also known as the Mayer/Mahboudi Fardi parcel or the Esslinger Family Parcel), the issue at the time of the County's LCP certification was vehicular access to the property, arising from intensity and location of development. The issue at the Hobo Canyon site remains the same and so certification for this area will also be deferred."

Similar statements are made elsewhere in the report, and in the accompanying findings for the Implementation Plan amendment (1-92). There is also an exhibit, Exhibit H, attached to the findings that lists the areas of deferred certification and shows on a map the boundaries of the Hobo Canyon/ Mayer Group/Mahboudi Fardi area, which includes the entire mobile home park.

The LUP expressly referred to the mobile home park as being within the Hobo Canyon area of deferred certification. In fact, since certification of the LCP, the Commission has processed coastal development permits for development proposed within the mobile home park (e.g. G5-95-286, 5-95-286, 5-95-286 A, 5-96-048, 5-98-151, and 5-98-151-A1) without either the City or the property owners challenging the Commission's jurisdiction. The City has not subsequently submitted an LCP amendment to apply the LCP to Hobo Canyon. Therefore, the Commission finds that the project is located within the Hobo Canyon area of deferred certification and that the Commission has permit jurisdiction over the entire project for that reason.

One of the applicants—Laguna Isla Vista, Limited Partnership ("LP") with Laguna Terrace, Limited Liability Company as general partner for Laguna Isla Vista, LP (collectively, "Laguna Terrace")— has filed this application under protest, disputing the Commission's jurisdiction over this matter. The Commission believes it has jurisdiction to approve this lot line adjustment application. Pursuant to a stipulated stay of a case between Laguna Terrace (and others) and the Commission, Laguna Terrace will accept the Commission's jurisdiction over this matter if it finds that the Commission approves the permit in a manner acceptable to it. Therefore, if the Commission approves this permit, and Laguna Terrace accepts the permit, it will, pursuant to **Special Condition 3**, thereby waive its jurisdictional arguments for purposes of this action, accept the validity of the Commission's jurisdiction over this matter and the validity of this permit and abandon its protest for purposes of this permit only.

3. Modify pages 12-13 of the staff report as follows:

.... Therefore, the Commission imposes **Special Condition 2**. This special condition requires staff to transmit a report reflecting the Commission's final action on the subject application (the "Adopted Findings"), to the applicants within 30 days of Commission

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approval of the permit. Within 30 days of issuance of the Adopted Findings report to the applicants, and prior to issuance of this permit, the applicants shall submit to the Orange County Clerk-Recorder for recordation against the subject lots a notice (the "Notice") (see Exhibit 5) containing an acknowledgement of the fact that the Commission has provided after-the-fact approval of the three (3) lots depicted and described for the 122 acre site in City of Laguna Beach Lot Line Adjustment LL 95-01 ("LLA 95-01), which shall include two exhibits. One exhibit attached to the Notice shall be the Adopted Findings report. The second exhibit attached to the Notice shall be a formal legal description and graphic depiction certified by a licensed surveyor as of a recent date of the lot/lot boundaries approved for the subject site pursuant to this CDP, as generally depicted on Exhibit 3 to this staff report. The applicants can forego this second required exhibit to the Notice if they submit a current title report to staff demonstrating that there are no new exceptions to title since the date of the City's approval of LLA 95-01 that may affect lot boundaries, recordation of an acknowledgement and graphic by the present land owners of the lot/lot boundaries that are approved for the subject site pursuant to this coastal development permit. It also requires that the acknowledgement state that the Commission approved lot boundaries supersede and replace any and all previous lot boundaries that may have existed for the subject site that depict any different configuration than the configuration approved under this coastal development permit, including but not limited to lot boundaries formed through any patent, deed transfer, lot line adjustment, subdivision, and/or lot merger. Recordation of this acknowledgement Notice against each of the subject lots will provide notice to any and all existing and potential future owners of the lot configuration that is recognized by the Commission. In this way, there will be no further ambiguity.

4. Modify page 13 of the staff report as follows:

E. UNPERMITTED DEVELOPMENT

....The project description related to this request for after-the-fact authorization of an unpermitted lot line adjustment is not necessarily a complete list of all development on the subject property that is may be in violation of the Coastal Act and/or that may be of concern to the Commission....

....Approval of this permit does not constitute a waiver of any legal action with regard to any alleged-violations other than the alleged violation concerning City of Laguna Beach Lot Line Adjustment LL 95-01 nor does it constitute an admission as to the legality of any development undertaken on the subject site without a coastal permit.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

California Coastal Commission 725 Front Street, Suite 300 Santa Cruz, CA 95060 Attn: Legal Division

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

APN's: 056-240-57; 056-240-64; 056-240-65; 656-191-38; 656-191-39; 656-191-40

NOTICE

(Of Acceptance of Coastal Development Permit and Legality of Lot Line Adjustment)

NOTICE IS HEREBY GIVEN to all interested persons that on June 13, 2012, upon the application of the undersigned, the California Coastal Commission ("Commission"), at a regularly scheduled and duly noticed meeting thereof, approved Coastal Development Permit Number 5-12-121 subject to a condition pursuant to which said permit will issue upon proof of the recordation of this notice, thus approving and ratifying that certain Lot Line Adjustment approved by the City of Laguna Beach on March 23, 1995, and referred to as LL 95-01, and recorded in the Official Records of the County of Orange on November 22, 1995, as document number 19950520276.

The undersigned, being the holders of record title to the lands affected by the said Lot Line Adjustment, do hereby acknowledge their application for, and the Commission's granting of, the said after-the-fact approval of the said Lot Line Adjustment on conditions which are hereby accepted by the undersigned, as indicated in the attached document, entitled "Adopted Findings," reflecting the Commission's action.

[SIGNATURE BLOCKS AND ACKNOWLEDGEMENTS TO BE ADDED]



CALIFORNIA COASTAL COMMISSION

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





Filed: 4/25/12 180th Day: 10/22/12 Staff: K.Schwing-LB Staff Report: 5/31/12 Hearing Date: 6/13-15/12

STAFF REPORT: REGULAR CALENDAR

Application No: 5-12-121

Applicants: Laguna Isla Vista, LP;

Laguna Beach Luxury Hotel LLC (LBLH);

Driftwood Properties LLC

Agents: James Lawson for Laguna Isla Vista, LP

Lanny Winberry for LBLH LLC and Driftwood Properties LLC

Location: 30802 South Coast Highway, 30782 South Coast Highway, and

Additional acreage at end of Driftwood Drive

Laguna Beach, Orange County; APNs: 056-240-57, 056-240-64,

056-240-65, 656-191-38, 656-191-39, 656-191-40

Project Description: Request for after the fact approval of a lot line adjustment for a 122

acre site that consolidates several parcels into three (3) lots, one 46.65

acre lot, one 74.81 acre lot, and one 0.53 acre lot.

Staff Recommendation: Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

The subject site is 122 acres located in the Hobo/Aliso area of Laguna Beach. The Commission has jurisdiction over permit matters in this area because Hobo/Aliso Canyon is an area of deferred certification and, therefore, is not subject to local regulation under the certified Laguna Beach Local Coastal Program. The applicants are requesting Coastal Act authorization for the lot lines depicted in lot line adjustment No. LL 95-01 that was given local approval by the City of Laguna Beach in 1995, but which was not authorized through any coastal development permit. The subject site contains existing developed areas (the Laguna Terrace mobile home park, and a small parking lot) surrounded largely by undeveloped land incised by ravines with small streams and covered with sensitive habitat. The primary issue raised by the proposed lot line adjustment is whether or not development can be accommodated on the resultant lots in a manner that will not affect the existing sensitive habitat and streams. If a lot were created that was comprised wholly of sensitive habitat area, the Commission may be required to approve development in the future that impacts the sensitive habitat, in violation of Sections 30230, 30231, 30236, and 30240 of the Coastal Act, in order to avoid taking private property without just compensation.

Approval of this request will result in Coastal Act authorization that consolidates four (4) to six (6) existing lots into three (3) lots (i.e. one 46.65 acre lot (Parcel 1), one 0.53 acre lot (Parcel 2), and one 74.81 acre lot (Parcel 3))(Exhibit 3). No physical changes to the site are proposed. Proposed Parcel 2 is the site of a former gas station that is now developed as a parking lot. No significant biological resources are present on that lot. Proposed Parcel 1 would include the 14 acre Laguna Terrace mobile home park, with the balance of the 46.65 acre parcel being undeveloped. The undeveloped areas contain sensitive habitat. Since proposed Parcel 1 contains existing developed area, reasonable use already exists on the parcel and any potential future development could be concentrated in the existing developed area, which would avoid impacts to the remaining sensitive habitat areas and streams. Proposed Parcel 3 is presently undeveloped and is covered with sensitive habitat and streams. However, pursuant to a prior consent enforcement order, the entire 74.81 acre parcel is subject to an open space conservation and public access easement that contains significant restrictions on future development of the property, effectively prohibiting development that would adversely impact sensitive habitat areas and streams.

Staff is recommending approval of the project subject to three special conditions. **Special**Condition 1 specifies that this permit applies only to the proposed lot line adjustments and does not alter any other permitting obligations that may exist. **Special Condition 2** requires recordation of an acknowledgement/notice to present and future owners of the lot configuration that is recognized by the Commission pursuant to this coastal development permit. **Special Condition 3** states that if the applicants accept this permit the applicants agree to drop their protest under which the application was filed and to accept the Commission's jurisdiction over the subject lot line adjustment and the validity of this coastal development permit. This last condition carries out a provision of an agreement between the Commission and the applicants to stay pending litigation.

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APPENDICES

Appendix A: Substantive Documents

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EXHIBITS

Exhibit 1 – Project Vicinity

Exhibit 2a – Pre lot line adjustment lot configuration (depicting four existing lots)

Exhibit 2b – Pre lot line adjustment lot configuration (depicting six existing lots)

Exhibit 3 – Post lot line adjustment lot configuration (as shown on LLA 95-01)

Exhibit 4 – Lot Line Adjustment 95-01

I. MOTION AND RESOLUTION

Motion:

I move that the Commission **approve** Coastal Development Permit No. 5-12-121 pursuant to the staff recommendation.

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

Resolution:

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

II. STANDARD CONDITIONS

This permit is granted subject to the following 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 on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. **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

This permit is granted subject to the following special conditions:

- 1. **Future Development**. This permit is only for the development described in Coastal Development Permit No. 5-12-121. This permit does not alter any preexisting or future permitting obligations that may exist.
- 2. **Recordation**. Within 60 days of the Commission's approval of the permit and PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicants shall submit for the review and approval of the Executive Director, in a form and content acceptable to the Executive Director and suitable for recording with the Orange County Clerk-Recorder, an acknowledgement of the fact that the Commission has provided after-the-fact approval of the three (3) lots depicted and described for the 122 acre site in LLA 95-01 (i.e. one 46.65 acre lot, one 74.81 acre lot, and one 0.53 acre lot), which shall include a formal legal description and graphic depiction certified by a licensed surveyor as of a recent date of the lot/lot boundaries approved for the subject site pursuant to this coastal development permit, as generally depicted on Exhibit 3 to the staff report and findings dated May 31, 2012. The acknowledgement shall state that the Commission-approved lot boundaries under this coastal development permit supersede and replace any and all previous lot boundaries that may have existed for the subject 122 acre site that depict any different lot configuration than the lot configuration approved under this coastal development permit, including but not limited to lot boundaries formed through any patent, deed transfer, lot line adjustment, subdivision, and/or lot merger. WITHIN 60 DAYS OF THE DATE OF ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT BY THE EXECUTIVE DIRECTOR, the applicants/landowners shall execute and record the acknowledgment, including the graphic depiction and legal description approved by the Executive Director against all of the subject lots.
- 3. **Release of Protest**. By acceptance of the permit, the applicants agree to drop their protest under which the application was filed and accept the Commission's jurisdiction over the subject lot line adjustment and the validity of this coastal development permit.

IV. FINDINGS AND DECLARATIONS

A. PROJECT DESCRIPTION AND LOCATION

The area of land subject to this application is approximately 122 acres partly developed with a mobile home park located at 30802 South Coast Highway, and partly developed with a private parking lot located at 30782 South Coast Highway, in the City of Laguna Beach, Orange County (Exhibit 1). The developed part of the mobile home park occupies about 14 acres within and at the mouth of a steeply sided canyon. The parking lot occupies less than ½ acre adjacent to South Coast Highway. The remainder of the land is undeveloped. The site has varied topography, ranging from moderately steep slopes, and moderately sloped to flat areas at the bottom and mouth of the canyon

(where the mobile homes and related structures, and parking lot, currently exist). The surrounding undeveloped land is a mosaic of vegetation types including southern maritime chaparral, ceanothus chaparral, toyon-sumac chaparral and coastal sage scrub, which is identified in the City's LCP as high value habitat and has been determined by the Commission staff biologist to be environmentally sensitive habitat area (ESHA).

The applicants are requesting Coastal Act authorization for a lot line adjustment, No. LL 95-01, that was given local approval by the City of Laguna Beach in 1995, but which was not authorized through any coastal development permit. In November 1995, lot line adjustment LL 95-01 was recorded (Exhibit 4), that consolidated several parcels and moved lot lines around resulting in three lots (Exhibit 3), a 46.65 acre lot (which includes all of the mobile home park), a 74.81 acre undeveloped lot, and a 0.53 acre lot adjacent to Coast Highway (containing the private parking lot). Prior to the LLA there were between four and six lots within the boundary of the subject site. The surveyor that prepared the LLA characterized that site as containing four lots (Exhibit 2a); whereas subsequent review of the chain of title shows there were up to six lots within the boundary of the subject site (Exhibit 2b). Approval of this request will result in Coastal Act authorization that consolidates the four (4) to six (6) lots into three (3) lots, as described previously (i.e. one 46.65 acre lot, one 74.81 acre lot, and one 0.53 acre lot). No physical changes to the site are proposed.

B. HISTORY OF COMMISSION ACTIONS

The Commission has granted several prior coastal development permits (and amendments thereto) on some of the subject site, as follows: coastal development permits G5-95-286, 5-95-286, 5-95-286 A, 5-96-048, 5-98-151, and 5-98-151-A1 which approved various improvements to the mobilehome park's flood and debris control facilities and to its storm drain system, and the placement of other runoff controls on a portion of the vacant land. In 2007, an emergency coastal development permit, 5-07-440-G, was issued for the temporary placement of sand bags to control runoff. In addition, a claim of vested rights (5-07-412-VRC) asserting a vested right to graded pads and the maintenance of those pads, was rejected by the Commission in October of 2008.

This action follows several prior actions by the City and the Commission relating to land divisions and appealability involving the subject parcels. To summarize, in 2009 the City approved a CDP for a land division (i.e. City CDP 09-36). The appealability of the City's action was determined in Commission dispute resolution 5-10-014-EDD, and that action was appealed under A-5-LGB-10-039. In March 2010, Laguna Terrace Park LLC submitted another application to the City of Laguna Beach to subdivide the Laguna Terrace Mobilehome park for residential purposes (i.e. City CDP application number 10-26). The Commission found that the City's action on that application would be appealable (see 5-10-117-EDD) on June 9, 2010. On July 20, 2010, the Laguna Beach City Council held a public hearing at which they approved CDP number 10-26. Appeals were subsequently filed, and the Commission found those appeals raised a substantial issue on September 15, 2010 (see A-5-LGB-10-174). In January 2011, the City of Laguna Beach approved CDP 10-57 for a lot line adjustment between the mobile home park and an adjacent hotel. The Commission found that the City's action on that application would be appealable (see 5-11-012-EDD) on February 9, 2011. Appeals were subsequently filed, and the Commission found those appeals raised a substantial issue on March 9, 2011 (see A-5-LGB-11-031). There has been litigation over several of the above-identified actions. Therefore, the Commission hasn't taken action on the de novo components of these matters, pending resolution of the litigation.

There have also been previous enforcement actions connected with the subject site, including the Commission's July, 2006 issuance of Restoration Order CCC-06-RO-03 (Driftwood/Athens) and its April, 2010 issuance of Consent Cease and Desist and Restoration Orders Nos. CCC-10-CD-02 and CCC-10-RO-02 (Gromet), both of which were to address restoration and mitigation for the unpermitted removal of Big-leaved Crownbeard, an endangered plant species, from a portion of the subject site and adjacent property. Most recently, in December 2010, the Commission approved Consent Cease and Desist Order No. CCC-10-CD-01 and Consent Restoration Order CCC-10-RO-01 ("Consent Orders"), to address the unpermitted removal of major vegetation (including coastal sage scrub and maritime chaparral plant species) and the resulting impacts; and the unpermitted placement and replacement of approximately 5,500 sandbags, sand/gravel berms, filter fabric over the berms, and plastic discharge pipes, in violation of the Coastal Act. The unpermitted development activities occurred on an approximately 6-acre portion of property characterized by undeveloped graded pads. Through the Consent Orders, the property owners agreed to, among other things: 1) remove the unpermitted development from the properties subject to the Consent Orders, 2) remove all non-native plant species from the approximately 6-acres of graded pads, 3) execute and record an irrevocable offer to dedicate an open space conservation and public access easement over an approximately 75 acre area, 4) transfer fee title over the 75-acre area to the City of Laguna Beach, 5) record a "Preemptive Purchase Right Agreement" in favor of the California State Coastal Conservancy ("SCC") over an additional approximately 80 acre portion of land adjacent to the subject site, and 6) effectively dismiss, with prejudice, all aspects of a lawsuit filed by Driftwood Properties LLC (Driftwood) against the California Coastal Commission over the Commission's October, 2008 denial of Driftwood's Vested Rights Claim No. 5-07-412-VRC.

C. JURISDICTION

The proposed Lot Line Adjustment is 'Development'

Pursuant to Section 30600(a) of the Coastal Act², any person wishing to perform or undertake non-exempt development in the coastal zone must obtain a coastal development permit, in addition to any other permit required by law. "Development" is defined, in relevant part, by Section 30106 as:

"Development" means... <u>change in the density or intensity of the use of land</u>, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and <u>any other division of land</u>, 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... [underlining added for emphasis]

Divisions of land are, as noted above, specifically included in the definition of "development" under the Coastal Act. Section 25.07.006(D) of the City's certified Local Coastal Program ("LCP"), which defines "development" for the purposes of the LCP, mirrors the definition of development in the Coastal Act and includes such land divisions. Lot line adjustments are a division of land and, thus, constitute development under the Coastal Act. <u>La Fe, Inc. v. Los Angeles County</u> (1999) 73 Cal. App. 4th 231, 240. Furthermore, lot line adjustments can reconfigure parcels to facilitate development, thus changing the density of intensity of use of a

¹ Driftwood had already dismissed the lawsuit without prejudice but simultaneously entered into a tolling agreement so they could re-file, if necessary. So, instead of actually dismissing the lawsuit (which had already been done), they waived their rights under the stipulation to re-file, so the dismissal became with prejudice and irrevocable.

² The Coastal Act is codified in sections 30000 to 30900 of the California Public Resources Code ("PRC"). All further section references are to the PRC, and thus, to the Coastal Act, unless otherwise indicated.

parcel. <u>Id.</u> In this sense as well, LLAs are development pursuant to the Coastal Act. Therefore, the lot line adjustment described by LLA No. 95-01 constitutes development under the Coastal Act and LCP and requires a coastal development permit.

The Proposed 'Development' is Located in the Commission's Jurisdiction

In reviewing its files Commission staff discovered that the Laguna Beach post-cert map inaccurately depicts the area of deferred certification in the vicinity of the mobile home park. When the Commission certified the Land Use Plan (LUP) for southern Laguna Beach in 1992, the Commission identified Hobo Canyon (a.k.a. Mayer Group/Mahboudi-Fardi and Esslinger Property) as an area raising Coastal Act concerns that were not adequately addressed in the LUP. The Commission therefore carved Hobo Canyon out as an area of deferred certification to which the LUP did not apply. The post-cert map for the City of Laguna Beach that the Commission approved in 1993, however, depicts significant portions of the mobile home park as being within the City's coastal development permit jurisdiction. The following are examples from the findings which make clear that the entire Hobo Canyon site was to be deferred:

On page 16 of the Revised Findings adopted November 17, 1992 for Laguna Beach Land Use Plan Amendment 1-92, the findings state:

At the Hobo Canyon area (also known as the Mayer/Mahboudi-Fardi parcel or the Esslinger Family Parcel), the issue at the time of the County's LCP certification was vehicular access to the property, arising from intensity and location of development. The issue at the Hobo Canyon site remains the same and so certification for this area will also be deferred."

Similar statements are made elsewhere in the report, and in the accompanying findings for the Implementation Plan amendment (1-92). There is also an exhibit, Exhibit H, attached to the findings that lists the areas of deferred certification and shows on a map the boundaries of the Hobo Canyon/ Mayer Group/Mahboudi-Fardi area, which includes the entire mobile home park.

The LUP expressly referred to the mobile home park as being within the Hobo Canyon area of deferred certification. In fact, since certification of the LCP, the Commission has processed coastal development permits for development proposed within the mobile home park (e.g. G5-95-286, 5-95-286, 5-95-286, 5-95-286 A, 5-96-048, 5-98-151, and 5-98-151-A1) without either the City or the property owners challenging the Commission's jurisdiction. The City has not subsequently submitted an LCP amendment to apply the LCP to Hobo Canyon. Therefore, the Commission finds that the project is located within the Hobo Canyon area of deferred certification and that the Commission has permit jurisdiction over the entire project for that reason.

D. HABITAT PROTECTION

The subject site contains existing developed areas surrounded largely by undeveloped land incised by ravines with small streams and covered with sensitive habitat. The primary issue raised by the proposed lot line adjustment is whether or not development can be accommodated on the resultant lots in a manner that will not affect the existing sensitive habitat and streams. If a lot were created that was comprised wholly of sensitive habitat area, the Commission may be required to approve development that impacts the sensitive habitat, in violation of Sections 30230, 30231, 30236, and

30240 of the Coastal Act, in order to avoid taking private property without just compensation (a "taking"). On the other hand, if the resultant lots contain area where development can be accommodated without such violation, the Commission can find the lot line adjustment to be in conformity with Sections 30230, 30231, 30236, and 30240 of the Coastal Act.

The subject site contains a variety of streams throughout its terrain. For instance, the U.S. Geological Survey (USGS) map of the subject area, prepared in 1965 (photorevised in 1981) depicts several blue-line streams on the subject site. In addition, other biological analysis prepared for the site validate that streams exist on the site (e.g. see findings for A-5-LGB-10-174 and Letter dated July 7, 2010, prepared by LSA Associates to Mr. James Lawson titled Technical Evaluation of CCR Title 14, Section 13577(a) Stream Issue, Laguna Terrace Park, Tentative Tract No. 17301, Laguna Beach, California, among others).

Environmentally sensitive habitat areas are defined in Coastal Act Section 30107.5, as follows:

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

Coastal sage scrub and maritime chaparral are sensitive plant communities that are very limited in distribution among the coastal and inland hills of Southern California. Coastal sage scrub in the Laguna Beach area generally consists of summer-dormant soft or suffrutescent aromatic plants that grow to approximately waist height. While its composition can vary, characteristic species generally include: California sagebrush, California buckwheat, orange bush monkey flower, and several species of sage. Southern maritime chaparral is also a low, fairly open plant community, highly dependent on maritime climate. In the Laguna area, southern maritime chaparral is generally characterized by the presence of big podded and/or warty-stemmed ceanothus, bush rue, bladder pod, and spiny or little-leaved redberry, among other species.³

In this case, the applicants have not prepared a biological report for the subject site, therefore current, precise information about the boundaries of habitat areas is not available. However, there have been biological reports prepared in conjunction with past proposals at the subject site which document the presence of Coastal sage scrub and maritime chaparral. These studies include the South Laguna Biological Resources Inventory prepared by Karlin Marsh for the City of Laguna Beach in 1992, and a Biological Resources Assessment by LSA Associates dated August 17, 2000, among others. Furthermore, both coastal sage scrub and southern maritime chaparral communities have been observed by Commission staff on the subject site. These plant communities are considered by the U.S. Fish and Wildlife Service and the California Department of Fish and Game as "sensitive" or "special status." As discussed more fully in two memos written by Commission

³ Marsh, K. January 20, 1992. South Laguna Biological Resources Inventory. A report prepared for the City of Laguna Beach.

⁴ Evans, K.E. (USFWS). December 21, 2001. Letter to A. Larson (City of Laguna Beach) re: "Draft Environmental Impact Report for the Laguna Beach Driftwood Estates (Tentative Tract Number 16035), City of Laguna Beach, County of Orange, California."

5-12-121 (Laguna Isla Vista LP, et. al.)

Ecologist John Dixon (see substantive file documents), the plant communities found on the Subject Properties serve important ecosystem functions, such as providing habitat for State and federally listed as rare and threatened bigleaf crownbeard, the federally listed as threatened California gnatcatcher, and the rufous-crowned sparrow, a California Species of Special Concern. Each of these species has been observed at the site.⁵

The southern maritime chaparral and coastal sage scrub communities have been severely impacted by agricultural activities, urbanization, disruption of natural fire regimes, and competition from invasive species. These rare plant communities are confined to coastal and a few inland areas of Southern California and Baja, Mexico. The US Fish and Wildlife Service reports that urbanization and agricultural conversion have caused the destruction of an estimated 82 to 93 percent of southern maritime chaparral⁶ and an estimated 85 to 90 percent of coastal sage scrub⁷ vegetation in California. As evidenced by these figures, southern maritime chaparral and coastal sage scrub communities are rare and easily degraded by human activities. Consequently, at the subject site, coastal sage scrub and maritime chaparral meet the definition of Environmentally Sensitive Habitat Area (ESHA) under the Coastal Act.

The Coastal Act requires the protection of ESHA and wetland/stream habitat.

Section 30230 of the Coastal Act states:

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

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 waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

⁵ Dixon, John. (CCC). April 16, 2007. Memo to Ryan Todaro re: Habitat Characteristics on the Athens Group LLC property at Hobo Aliso Ridge (formerly known as Driftwood Estates).

⁶ U.S. Fish and Wildlife Service. 1996. Determination of endangered or threatened status for four southern maritime chaparral plant taxa from coastal southern California and northwestern Baja California, Mexico. Federal Register 61(195): 52370-52384

⁷ US Fish and Wildlife Service. 1993. Determination of threatened status for the California Gnatcatcher. Federal Register 58(59): 16742-16757.

Section 30236 of the Coastal Act states:

Channelizations, dams, or other substantial alterations of rivers and streams shall incorporate the best mitigation measures feasible, and be limited to (l) necessary water supply projects, (2) flood control projects where no other method for protecting existing structures in the flood plain is feasible and where such protection is necessary for public safety or to protect existing development, or (3) developments where the primary function is the improvement of fish and wildlife habitat.

Section 30240 of the Coastal Act states:

- (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas.
- (b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade such areas, and shall be compatible with the continuance of such habitat areas.

Approval of this request will result in Coastal Act authorization that consolidates four (4) to six (6) existing lots into three (3) lots (i.e. one 46.65 acre lot (Parcel 1), one 0.53 acre lot (Parcel 2), and one 74.81 acre lot (Parcel 3))(Exhibit 3). No physical changes to the site are proposed.

Proposed Parcel 2 (Exhibit 3), which is adjacent to Coast Highway, is entirely developed. The site was once used as a gas station, but is now used as a privately owned parking lot to accommodate parking demands of the Montage Resort, which is located across the street (i.e. seaward side of Coast Highway). There are no known biological resources on proposed Parcel 2, thus, the lot line adjustment will not result in any adverse impacts on biological resources.

Proposed Parcel 1 (Exhibit 3) contains both developed and undeveloped areas. The existing Laguna Terrace mobile home park occupies about 14 acres of the proposed 46.65 acre parcel. The mobile home park occupies sloping areas at the mouth of Hobo Canyon near Coast Highway that were terraced by grading, as well as gently sloping areas on the floor of Hobo Canyon, extending about 1/3 mile inland. The canyon continues inland, where it is undeveloped. The steep sides of the canyon are also undeveloped. A stream (depicted by a blue line on the U.S. Geological Survey 7.5" Quadrangle Maps for Laguna Beach and San Juan Capistrano) flows along the bottom of the canyon that extends further inland of the mobile home park. Smaller ravines branch off the main canyon and also contain streams/drainages that flow intermittently. The steep sides of the canyon above the mobile home park in the canyon bottom as well as the undeveloped canyon areas that extend inland are covered in sensitive habitat area. These habitat areas must remain undeveloped. Since this proposed lot contains existing developed area, reasonable use already exists on the parcel. In addition, any potential future development could be concentrated in the existing developed area, which would avoid impacts to the remaining sensitive habitat areas and streams. Thus, the proposed configuration of Parcel 1 will not necessitate future approval of development, in order to avoid an unconstitutional taking of private property, which could impact sensitive habitat and streams.

Proposed Parcel 3 (Exhibit 3) is presently undeveloped. The entire 74.81 acre area is covered with sensitive habitat and streams. If development, such as residential, commercial, or significant public works, were proposed on this parcel, impacts to sensitive habitat would be unavoidable. However, pursuant to Consent Cease and Desist Order No. CCC-10-CD-01 and Consent Restoration Order CCC-10-RO-01 ("Consent Orders"), approved by the Commission in December 2010, the entire 74.81 acre parcel is subject to an easement for open space conservation and public access that Driftwood offered in January, 2011 (offer recorded on January 31, 2011) and the State Coastal Conservancy accepted on March 3, 2011 (recorded March 10, 2011). That easement imposes significant restrictions on future development of the property, effectively prohibiting development that would adversely impact sensitive habitat areas and streams or that would be inconsistent with Section 30240 of the Coastal Act. Furthermore, the Consent Orders require that fee title to the property burdened by the easement be transferred to an entity that will take the property with knowledge of the restrictions and hold it in its undeveloped state. Thus, the proposed configuration of Parcel 3 will not necessitate future approval of development that could impact sensitive habitat and streams in order to avoid an unconstitutional taking of private property.

As explained above, given the presence of sensitive habitat and streams, the configuration of the lots on the site is an important factor in considering whether impacts may occur to coastal resources. Similarly, future development must occur in a manner that protects these resources. For instance, any future change to the configuration of the lots and/or any further division of the lots must be analyzed to identify impacts upon coastal resources. Therefore, the Commission imposes **Special Condition 1** which clarifies that this permit is only for the development described in this action. It does not alter any pre-existing or future permitting obligations that may exist.

As briefly mentioned in the project description, the precise quantity of existing lots and their configuration has been the subject of some investigation. The applicants have indicated that the document recorded in conjunction with Lot Line Adjustment (LLA) 95-01 assumed the presence of a total of four existing lots. However, the graphic that accompanies the LLA could be interpreted as depicting more than four lots. In addition, research into the historical chain of title suggests that the subject site may have been comprised of up to six lots. These lots may have arisen through a series of land patents, deeds that transferred property from one entity to another, lot line adjustments, lot mergers, and subdivisions that occurred between 1887 and 1995. Again, given the presence of sensitive habitat and streams, the configuration of the newly created lots, from the Commission approval of the proposed lot line adjustment on the site, is an important factor in considering whether impacts may occur to coastal resources. It is important that the past ambiguity is not carried forward into the future with regard to these lots, and that from this point forward the quantity and configuration of the lots shall only be the configuration that the Commission approves in this coastal development permit. Therefore, the Commission imposes Special Condition 2. This special condition requires recordation of an acknowledgement and graphic by the present land owners of the lot/lot boundaries that are approved for the subject site pursuant to this coastal development permit. It also requires that the acknowledgement state that the Commission-approved lot boundaries supersede and replace any and all previous lot boundaries that may have existed for the subject site that depict any different configuration than the configuration approved under this coastal development permit, including but not limited to lot boundaries formed through any patent, deed transfer, lot line adjustment, subdivision, and/or lot merger. Recordation of this acknowledgement will provide notice to any and all existing and potential future owners of the lot

configuration that is recognized by the Commission. In this way, there will be no further ambiguity.

Therefore, as conditioned, the Commission finds the proposed configuration of the lots will be in conformity with Sections 30230, 30231, 30236, and 30240 of the Coastal Act.

E. UNPERMITTED DEVELOPMENT

Development has occurred on the subject site that includes, but is not limited to, recordation of a lot line adjustment without the required coastal development permit. The applicant is requesting approval of the subject lot lines. There may be additional unpermitted development on the subject site, but this action does not relate to anything other than the subject lot line adjustment. The project description related to this request for after-the-fact authorization of an unpermitted lot line adjustment is not necessarily a complete list of all development on the subject property that is in violation of the Coastal Act and/or that may be of concern to the Commission. Accordingly, the Commission's silence regarding (or failure to address) other development on the subject property shall not be treated as indicative of the Commission's acceptance of, or acquiescence in, any such development.

To ensure that the unpermitted lot line adjustment is corrected in a timely manner, Special Condition 2 requires that the applicants record an acknowledgement (approved by the Executive Director) that provides notice to present and future owners of the lot configuration that is recognized by the Commission within 60 days of the Executive Director's issuance of the coastal development permit.

Although development has taken place prior to submission of this permit application, consideration of the application by the Commission has been based solely upon the Chapter 3 policies of the Coastal Act. Approval of this permit does not constitute a waiver of any legal action with regard to any alleged violations nor does it constitute an admission as to the legality of any development undertaken on the subject site without a coastal permit.

F. LOCAL COASTAL PROGRAM

Coastal Act section 30604(a) states that, prior to certification of a local coastal program ("LCP"), a coastal development permit can only be issued upon a finding that the proposed development is in conformity with Chapter 3 of the Act and that the permitted development will not prejudice the ability of the local government to prepare an LCP that is in conformity with Chapter 3.

The City of Laguna Beach Local Coastal Program was certified with suggested modifications, except for the areas of deferred certification, in July 1992. In February 1993, the Commission concurred with the Executive Director's determination that the suggested modification had been properly accepted and the City assumed permit issuing authority at that time.

The subject site is located within the Hobo Canyon area of deferred certification. Certification in this area was deferred due to issues regarding development in sensitive habitat areas. However, the proposed project will not result in any adverse impacts to sensitive habitat areas. Therefore the Commission finds that approval of this project, as conditioned, will not prevent the City of Laguna

Beach from preparing a total Local Coastal Program for the areas of deferred certification that conforms with and is adequate to carry out the Chapter 3 policies of the Coastal Act.

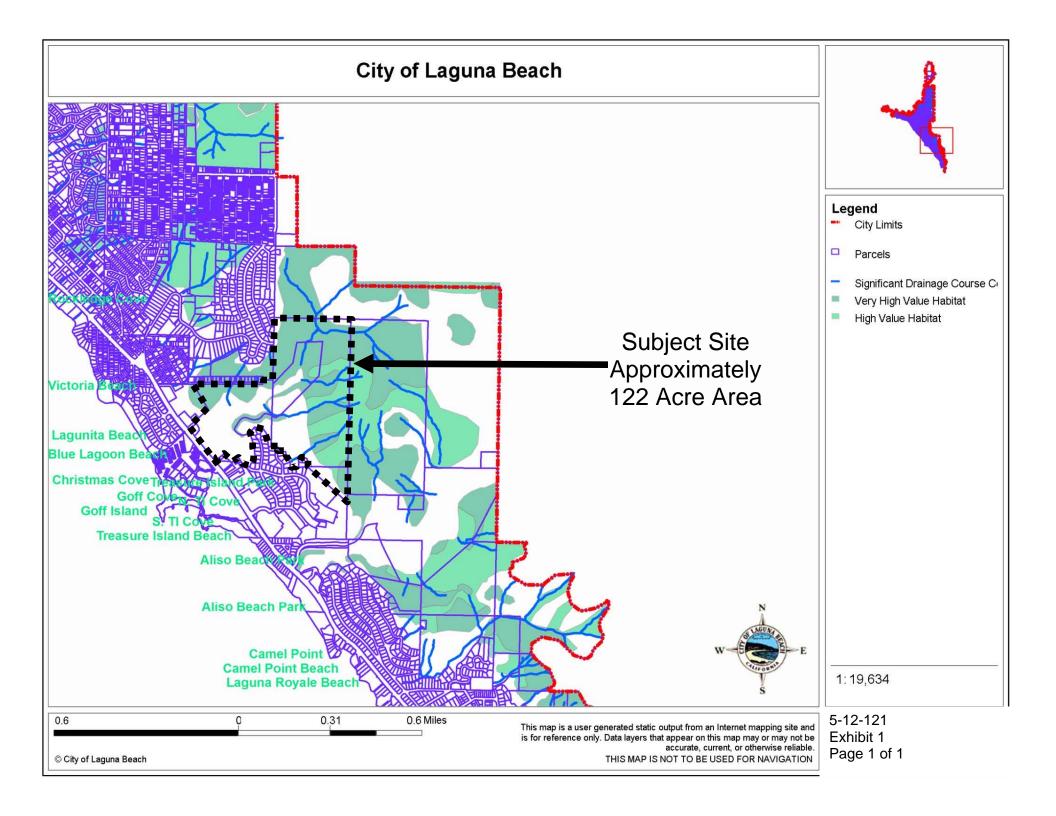
G. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA).

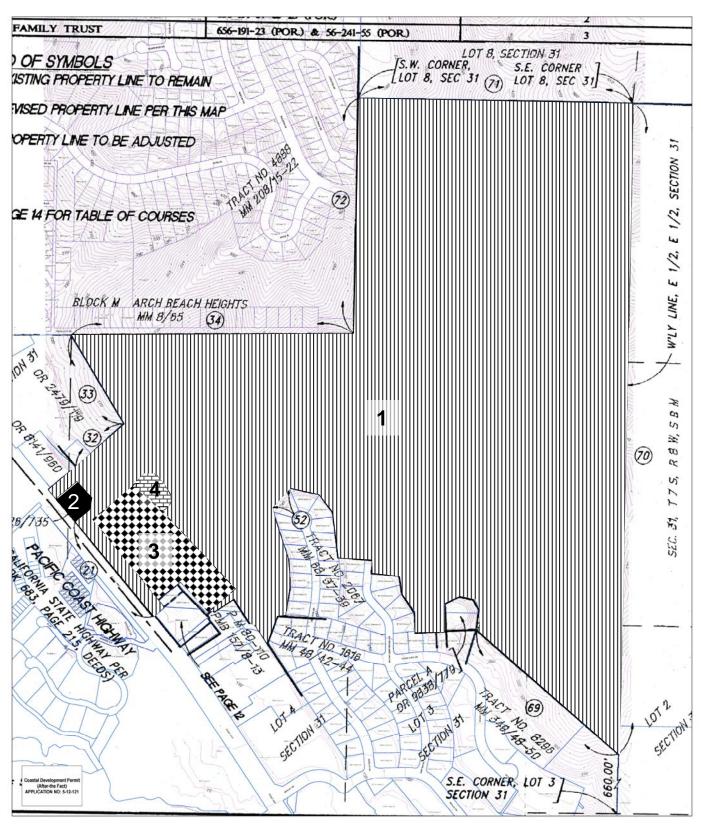
The City of Laguna Beach is the lead agency for purposes of CEQA compliance. As determined by the City, this project is categorically exempt from CEQA. As such, the project is exempt for CEQA's requirements regarding consideration of mitigation measures and alternatives. The Commission, however, has conditioned the proposed project in order to ensure its consistency with Coastal Act requirements regarding sensitive habitat. **Special Condition 1** clarifies that this permit relates only to the proposed development and does not alter any other permitting obligations that may exist; **Special Condition 2** requires recordation of an acknowledgement/notice to present and future owners of the lot configuration that is recognized by the Commission; and **Special Condition 3** states that if the applicants accept this permit the applicants agree to drop their protest under which the application was filed and to accept the Commission's jurisdiction over the subject lot line adjustment and the validity of this coastal development permit. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect that the activity may have on the environment. Therefore, the Commission finds that the proposed project is consistent with the requirements of the Coastal Act and CEQA.

APPENDIX A - Substantive File Documents:

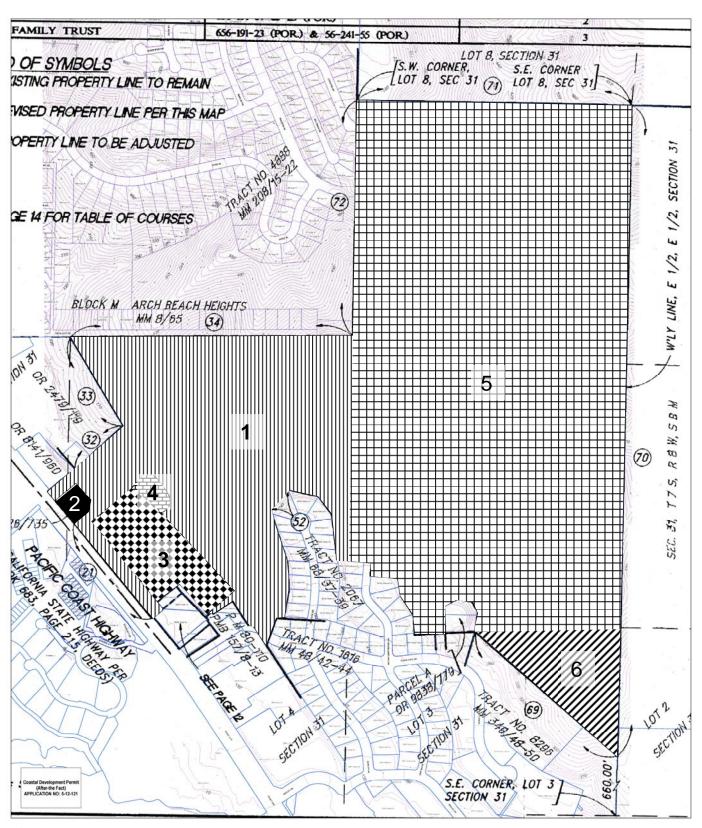
Laguna Beach Local Coastal Program (LCP); Revised Findings adopted November 17, 1992 for Laguna Beach Land Use Plan Amendment 1-92; findings and file materials in support of dispute resolution numbers 5-10-014-EDD, 5-10-117-EDD, and 5-11-012-EDD; Findings and file materials in support of appeal numbers A-5-LGB-10-039, A-5-LGB-10-174, and A-5-LGB-11-031; California Coastal Commission Notice of Violation of the Coastal Act dated 5/4/2007 sent to The Athens Group and Laguna Terrace Park LLC; Restoration Order CCC-06-RO-03 (Driftwood/Athens) and Consent Cease and Desist and Restoration Orders Nos. CCC-10-CD-02 and CCC-10-RO-02 (Gromet), Consent Cease and Desist Order No. CCC-10-CD-01 and Restoration Order CCC-10-RO-01; City of Laguna Beach Lot Line Adjustment No. LL 95-01; findings and approved plans for Coastal Development Permit No.s G5-95-286, 5-95-286, 5-95-286 A, 5-96-048, 5-98-151, and 5-98-151-A1, 5-07-440-G; findings on claim of vested rights 5-07-412-VRC; U.S. Geological Survey 7.5" Quadrangle Maps for Laguna Beach and San Juan Capistrano; Map titled Post LCP Certification Permit and Appeal Jurisdiction, City of Laguna Beach Map ("post-cert map") adopted by the Commission on September 16, 1993; Letter dated July 7, 2010, prepared by LSA Associates to Mr. James Lawson titled Technical Evaluation of CCR Title 14. Section 13577(a) Stream Issue, Laguna Terrace Park, Tentative Tract No. 17301, Laguna Beach, California; South Laguna Biological Resources Inventory prepared by Karlin Marsh for the City of Laguna Beach in 1992; Biological Resources Assessment by LSA Associates dated August 17, 2000; May 2008 Biological Report by PCR; California Coastal Commission Memorandum from Dr. John Dixon, to Karl Schwing and Louise Warren re:Driftwood Property in Laguna Beach, dated July 14, 2008; California Coastal Commission Memorandum from Dr. John Dixon to Ryan Todaro re: Habitat Characteristics on the Athens Group LLC property at Hobo Aliso Ridge (formerly known as Driftwood estates) dated April 16, 2007; Irrevocable Offer to Dedicate Open Space Conservation and Public Access Easement and Declaration of Restrictions, Document No. 2011000057040 at 4:30pm on 1/31/2011; Certificate of Acceptance Offer to Dedicate Open Space Conservation and Public Access Easement and Declaration of Restrictions, Document No. 201100129005 at 9:00 am 3/10/2011



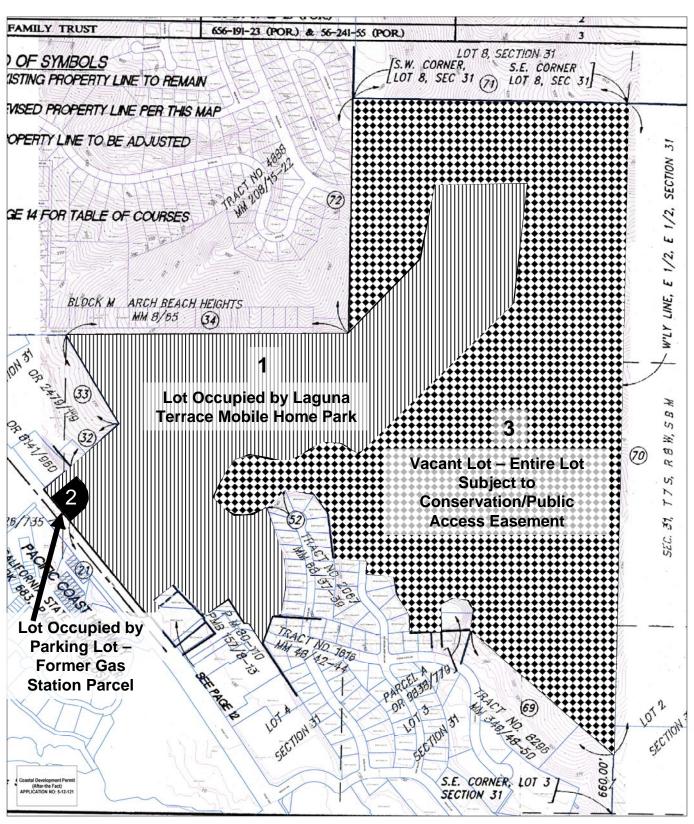
Pre-LLA "Lot" Configuration (Depicting Four (4) 'Existing' Lots)



Pre-LLA "Lot" Configuration (Depicting Six (6) 'Existing' Lots)



Post-LLA Lot Configuration (as shown on LLA 95-01)





Recording requested by and when recorded mail to:

DATUREN ESSLINGER
30802 SU. COAST NIGHWAY

AGUNA BEACH CA. 92657

PROCESSIONS FOR DEAL PROCESSION WITH

ACCOMBO 1586332 RO

Recorded in the County of Grange, California Gary L. Granville, Clerk/Recorder 52.00 19950520276 4:30m 11/22/95

005 098819 07 21 IB47 L09 16 7.00 45.08 6.00 0.00 0.06 0.08

Above reserved for county recorder's use.

Lot Line Adjustment LL 95 - 01

RECORD OWNERS:

PARCELS 1, 2 and 3

AND AND AND THE SECOND STREET, AND AND ADDRESS OF A SECOND STREET, AND ADDRESS OF A SECOND SE

NAME:

Darren F. Esslinger. as Co-Trustee of Trust A and Trustee of Trust B of the Esslinger Family

Trust established April 16, 1976 by Paul H. Esslinger and Marie M. Esslinger, Trustors, as

amended

ADDRESS: 30802 South Coast Highway

Laguna Beach, California 92651

DAYTIME

714/497-3497

PHONE:

ALLMIIE

THIS PUSTICULENT FIED FOR RECORD BY
FRIST AMERICA'S TITLE SUSTAINCE COMPANY AS AN
ACCOMMODATION ONLY. IT HAS NOT BEEN EXAMINED AS TO
ITS EXECUTION OR AS TO ITS EFFECT UPON THE TITLE

Cheryl M. Wing, as Co-Trustee of Trust A of

the Esslinger Family Trust Established April

16, 1976 by Paul H. Esslinger and Marie M.

Esslinger, Trustors, as amended

CONTACT PERSON:	Garland Clark
ADDRESS:	14725 Alton Parkway
	Irvine, California 92719
DAYTIME PHONE:	714/855-3652

DATE FILED	ZONING	

Page 1

1

17

161

2N 10 F We he reby certify that: 1) We are the record owners of all parcels proposed for adjustment by this application; 2) We have knowledge of and consent to the filing of this application; and 3) the information submitted in connection with this application is true and correct.

Darren E. Esslinger, as Co-Trustee of Trust A and Trustee of Trust B of the Esslinger Family Trust established April 16, 1976 by Paul H. Esslinger and Marie M. Esslinger, Trustors, as amended

Cheryl M. Wing, as Co-Trustee of Trust A of the Esslinger Family Trust Established April 16, 1976 by Paul H. Esslinger and Marie M. Esslinger, Trustors, as amended

Signature of owner of Parces 1, 2 and 3

Signature of owner of Parcels 1, 2 and 3

NOTARY ACKNOWLEDGEMENT

State of California)

County of Quanta) San Barrardino

On this <u>January</u> 31, 1995 before me, <u>Shern</u> L. Lucas, personally appeared Darren E. Esslinger and Cheryl M. Wing, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal:

Notary Public in and for said State



Page 2

Line Adjustment LL 95 - 01

THIS DOCUMENT CONSISTING OF 14 PAGES WAS PRE?ARED BY ME OR UNDER MY DIRECTION.

Karin D. McHugh Is

MY LICENSE EXPIRES 9-30-98



LL 95 - 01

LEGAL DESCRIPTION

owners	existing parcels ap numbers	PROPOSED PARCELS REFERENCE NUMBER
ESSLINGER FAMILY TRUST	656-191-08, 09, 10, 13, 25, 26 & 23 (POR.)	1
ESSLINGER FAMILY TRUST	656-191-07, & 23 (FOR.)	2
ESSLINGER FAMILY TRUST	656-191-21 (POR.) & 56-241-55 (POR.)	3

Parcel 1

That certain parcel of land situated in the City of Laguna Beach, County of Orange, State of California, being that portion of Fractional Section 31, Township 7 South, Range 8 West of the San Bernardino Meridian, according to the official plat of said land filed in the District Land Office May 19, 1873, described as follows:

BEGINNING at the most westerly corner of Lot 8 of Tract No. 2067 as shown on a map thereof filed in Book 68, Pages 37 through 39 of Miscellaneous Maps in the Office of the County Recorder of said Orange County, said ast westerly corner being the southwesterly terminus of that certain course shown on Jaid map as having a bearing and distance of "North 40°11'48" East 130.00 feet"; thence along the westerly line of said tract through the following courses: South 18°23'56" East 271.88 feet; thence South 04°16'07" East 141.78 feet; thence South 10°17'43" West 140.80 feet to the northerly line of Tract No. 1616 as shown on a map thereof filed in Book 48, Pages 42 through 44 of Miscellaneous Maps in said Office of the Grange County Recorder; thence leaving said westerly line of Tract No. 2067, along the northerly and westerly lines of said Tract No. 1616 North 87°05'00" West 35.12 feet and South 19°30'00" West 145.02 feet to the northeasterly line of Parcel Map No. 80-110 as shown on a map thereof filed in Book 157, Pages 8 through 13 of Parcel Maps in said Office of the Orange County Recorder; thence along said northeasterly line and along the northwesterly line of said parcel map through the following courses: North 34°03'30" West 116.96 feet to a point on a non-tangent curve concave southerly and having a radius of 180.00 feet, a radial line of said curve from said point bears South 11°06'03" West; thence along said curve westerly 28.98 feet through a central angle of 09°13'33"; thence non-tangent from said curve North 34°03'30" West 141.30 feet; thence South 55°56'30" West 116.61 feet; thence North 40°18'00" East 20.00 feet; thence South 49°42'00" West 37.00 feet; thence North 40°18'00" East 20.00 feet; thence South 49°42'00" West 8.91 feet to the nurtheasterly line of the land described in a Joint Tenancy Grant Deed recorded December 19, 1961 in Book 5949, Page 755 of Official Records in said Office of the Orange County Recorder; thence leaving said northwesterly line of Parcel Map No. 80-110, along said northeas

LL 95 - 01

LEGAL DESCRIPTION

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owners	FXISTING PARCELS AP NUMBERS	PROPOSEED PARCELS REFERENCE NUMBER
ESSLINGER FAMILY TRUST	656-191-48, 09, 10, 13, 25, 2t & 23 (POR.)	1
ESSLINGER FAMILY TRUST	656-191-4∏, & 23 (POR.)	2
ESSLINGER FAMILY TRUST	656-191-23 (POR.) & 56-241-55 (POR.)	3

northeasterly, northwesterly and southwesterly lines of said land through the following courses: North 40°18'00° West 46.17 feet; thence South 49°42'00° West 127.00 feet; thence South 40°18'00° East 46.17 feet to the northwesterly line of said Parcel 1 described in Book 5417 Page 431 of Official Records; thence leaving said southwesterly line, along said northwesterly line and southwesterly prolongation thereof South 49°42'00° West 70.00 feet to the northeasterly right-of-way line of Pacific Coast Highway (formerly California State Highway) 80.00 feet wide, as described in a Deed to the State of California recorded October 23, 1926 on Book 683, Page 215 of Deeds in said Office of the Orange County Recorder; thence along said northeasterly right-of-way line North 40°18'00° West 610.81 feet to the southerly corner of Parcel 1 as described in a Lease to Union Oil Company of California recorded August 23, 1966 in Book 8026, Page 735 of Official Records in said Office of the Orange County Recorder; thence along the southeasterly line of said Parcel 1 North 49°42'00° East 85.00 feet; thence North 19°24'00° East 57.42 feet to the beginning of a tangent curve concave westerly and having a radius of 70.00 feet; thence along said curve northerly 63.61 feet through a central angle of 52°04'00°; thence tangent from said curve North 22°40'00° West 47.66 feet to the beginning of a tangent curve concave southerly and having a radius of 20.00 feet; the southwesterly terminus of said curve shall be tangent to the northwesterly prolongation of the northwesterly line of said Parcel 1; thence along said curve westerly and southwesterly said northeasterly prolongation and northwesterly line of said parcel 1; thence along said curve westerly and southwesterly said northeasterly right-of-way line of Pacific Coast Highway; thence along said northeasterly right-of-way line of Pacific Coast Highway; thence along said northeasterly right-of-way line of Pacific Coast Highway; thence along said northeasterly right-of-way line of Said Parce

LL 95 - 01

LEGAL DESCRIPTION

OWNERS	existing parcels ap numbers	PROPOSED PARCELS REFERENCE NUMBER
ESSLINGER FAMILY TRUST	656-191-08, 09, 10, 13, 25, 26 & 23 (POR.)	1
ESSIINGER FAMILY TRUST	656-191-07, & 23 (POR.)	ž
ESSLINGER FAMILY TRUST	656-191-23 (POR.) & 56-241-55 (POR.)	3

North 87°45'00" East 458.00 feet; thence South 05°15'00" West 612.00 feet; thence South 43°35'00" West 930.00 feet to the beginning of a tangent curve concave northwesterly and having a radius of 350.00 feet; thence along said curve southwesterly 129.85 feet through a central angle of 21°15'27" to a point of compound curvature with a curve concave northerly and having a radius of 45.00 feet, a radial line of said curves from said point bears North 25°09'33" West; thence along said curve westerly 50.15 feet through a central angle of 63°51'00" to a point of reverse curvature with a curve concave southerly and having a radius of 250.00 feet, a radial line of said curve from said point bears South 38°41'27" West; thence along said curve northwesterly 139.89 feet through a central angle of 32°03'39" to a point of compound curvature with a curve concave southeasterly and having a radius of 80.00 feet; a radial line of said curves from said point bears South 06°37'48" West; thence along said curve westerly 87.64 feet through a central angle of 62°46'00" to a point of reverse curvature with a curve concave northerly and having a radius of 170.00 feet, a radial line of said curve from said point bears North 56'08'12" West; thence along said curve southwesterly 218.48 feet through a central angle of 73°36'12"; thence tangent from said curve North 72°30'00" West 78.00 feet to the beginning of a tangent curve concave southerly and having a radius of 125.00 feet; thence along said curve westerly 170.90 feet through a central angle of 78°20'00"; thence tangent from said curve southwesterly and having a radius of 45.00 feet; thence along said curve southwesterly and having a radius of 45.00 feet; thence along said curve concave easterly and having a radius of 45.00 feet to the beginning of a tangent curve concave active southwesterly and having a radius of 150.00 feet; thence along said curve southwesterly and having a radius of 50.00 feet; thence along said curve southwesterly and having a radius of 50.00 feet; thence along

CONTAINING: 45.65 Acres, more or less.

Parcel 2

Beginning at the southerly corner of Parcel 1 as described in a Lease to Union Oil Company of California recorded August 23, 1966 in Book 8026, Page 735 of Official Records in said Office of the Orange County Recorder; thence along the southeasterly line of said Parcel 1 North 49°42'00" East 85.00 feet; thence

LOT LINE ADJUSTMENT

LL 95 - 01

LEGAL DESCRIPTION

18AAL DESCRIPTION			
owners	existing parcels ap numbers	Proposed Parcels Reference Number	
ESSLINGER FAMILY TRUST	656-191-08, 09, 10, 13, 25, 26 & 23 (POR.)	1	
ESSLINGER FAMILY TRUST	656-191-07, & 23 (POR.)	2	
ESSLINGER FAMILY TRUST	656-191-23 (POR.) & 56-241-55 (POR.)	3	

North 19°24'00" East 57.42 feet to the beginning of a tangent curve concave westerly and having a radius of 70.00 feet; thence along said curve northerly 63.61 feet through a central angle of 52°04'00"; thence tangent from said curve North 32°40'00" West 47.66 feet to the beginning of a tangent curve concave southerly and having a radius of 20.00 feet; the southwesterly terminus of said curve shall be tangent to the northeasterly prolongation of the northwesterly line of said Parcel 1; thence along said curve westerly and southwesterly 34.08 feet through a central angle of 97°38'00" to said tangent line; thence along said northeasterly prolongation and northwesterly line South 49°42'00" West 155.14 feet to said northeasterly right-of-way line of Pacific Coast Highway and the westerly corner of said Parcel 1; thence along the southwesterly line of said Parcel 1 and said northeasterly right-of-way line of Pacific Coast Highway South 40°18'00" East 150.00 feet to the POINT OF BEGINNING.

CONTAINING: 0.53 Acres, more or less.

Parcel 3

That certain parcel of land situated in the City of Laguna Beach, County of Orange, State of California, being that portion of Fractional Section 31, Township 7 South, Range 8 West of the San Bernardino Meridian, according to the official plat of said land filed in the District Land Office May 19, 1873, described as follows:

BEGINNING at the most westerly corner of Lot 8 of Tract No. 2067 as shown on a map thereof filed in Book 68, Pages 37 through 39 of Miscellaneous Maps in the Office of the County Recorder of said Orange County, said most westerly corner being the southwesterly terminus of that certain course shown on said map as having a bearing and distance of "North 60°11'48" East 130.00 feet"; thence along the northwesterly northerly and northeasterly lines of said tract through the following courses: along said course North 40°11'43" East 130.00 feet; thence South 79°02'45" East 157.88 feet; thence South 37°30'02" East 112.00 feet; thence South 07°29'46" East 222.89 feet; thence South 85°50'00" East 173.25 feet; thence South 04°10'00" West 65.92 feet; thence South 85°50'00" East 140.00 feet; thence South 09°38'45" East 92.20 feet; thence South 34°02'52" East 115.07 feet; thence South 03°28'00" East 95.92 feet; thence North 86°32'00" East 102.75 feet to the northeasterly corner of Lot 28 of said tract; thence leaving said northerly line, along the easterly prolongation of the northerly line of said Lot 28 North 86°32'00" East 50.00 feet to the northwesterly corner of Parcel 1 as shown on a map thereof filed in Book 80, Page 42 of Record of Surveys in said Office of the Orange County Recorder, said

LL 95 - 01

LEGAL DESCRIPTION

OWNERS	existing parcels ap numbers	PROPOSED PARCELS REFERENCE NUMBER
ESSLINGER FAMILY TRUST	656-191-08, 09, 10, 13, 25, 26 & 23 (POR.)	1
ESSLINGER FAMILY TRUST	656-191-07, & 23 (POR.)	2
ESSLINGER FAMILY TRUST	656-191-23 (POR.) & 56-241-55 (POR.)	3

corner also being the southwesterly corner of the land described in Parcel A in a Grant Deed to South Coast County Water District of Orange County, California recorded October 11, 1971 in Book 9838, Page 779 of Official Records in said Office of the Orange County Recorder; thence along the westerly, northerly and easterly lines of said land through the following courses: North 03°28'00" West 135.00 feet; thence North 63°02'00" East 81.00 feet; thence South 78°43'00" East 69.00 feet; thence South 78°43'00" East 69.00 feet; thence South 78°43'00" West 100.25 feet to the northeasterly corner of Parcel 2 of said record of survey, said corner also being the most northerly corner of Tract No. 8296 as shown on a map thereof filed in Book 349, Pages 48 through 50 of Miscellaneous Maps in said Office of the Orange County Recorder; thence leaving said easterly line, along the northeasterly line of said tract South 49°13'17" East 948.10 feet to the west line of the east one-half of said Fractional Section 31; thence along said west line North 00°27'51" East 3254.75 feet to the southeast corner of tot 8 of said Fractional Section 31; thence along the south line of said lot North 89°37'53" West 1370.88 feet to the southwest corner of said lot; thence along the west line of the east one-half of said Fractional Section 31 South 00°16'58" West 1178.05 feet to the easterly prolongation of the southerly line of Block M of Arch Beach Heights of the Orange County Recorder; thence North 43°05'00" East 515.25 feet; thence North 00°45'00" East 515.25 feet; thence North 00°45'00" East 515.00 feet to the beginning of a tangent curve concave northwesterly and having a radius of 550.00 feet; thence South 43°35'00" West 580.00 feet to the beginning of a tangent curve concave northwesterly and having a radius of 45.00 feet, a radial line of said curves from said point bears South 06°31'00" West 50.00 feet, a radial line of said curve from said point bears South 50°31'00" to a point of reverse curvature with a curve concave southersterly an

 $\mathcal{G}_{n}^{\mathrm{Low}}(M, \mathcal{M}_{n}^{\mathrm{Const.}}) \cong \operatorname{Section}(M, \mathcal{M}_{n}, \mathcal{M}_$

LOT LINE ADJUSTMENT

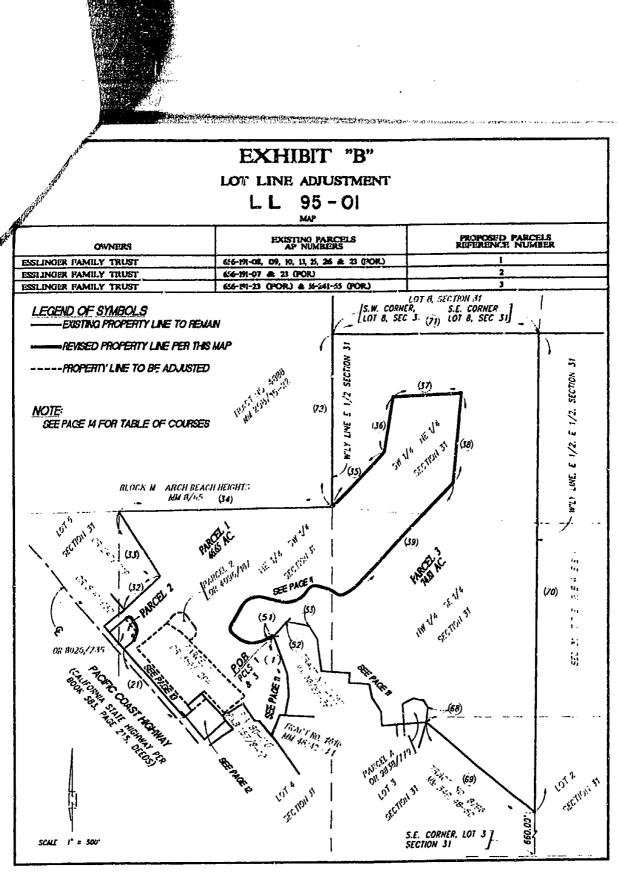
LL 95 - 01
LEGAL DESCRIPTION

OWNERS	existing parcels ap numbers	PROPOSED PARCELS REFERENCE NUMBER
ESSLINGER FAMILY TRUST	656-191-08, 09, 10, 13, 25, 26 & 23 (POR.)	1
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ESSLINGER FAMILY TRUST	656-191-23 (POR.) & 56-241-55 (POR.)	3

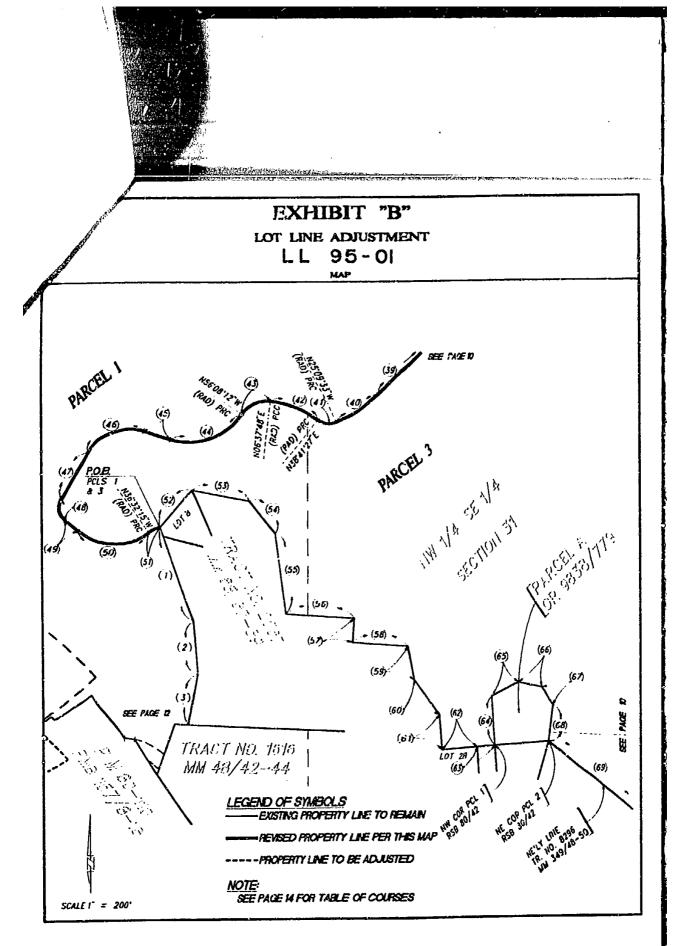
southerly and having a radius of 125.00 feet; thence along said curve westerly 170.90 feet through a central angle of 78°20'00°; thence tangent from said curve South 29°10'00° West 144.00 feet to the beginning of a tangent curve concave easterly and having a radius of 45.00 feet; thence along said curve southwesterly and southerly 61.31 feet through a central angle of 78°04'00°; thence tangent from said curve South 48°54'00° East 44.00 feet to the beginning of a tangent curve concave northerly and having a radius of 150.00 feet; thence along said curve southeasterly and easterly 203.25 feet through a central angle of 77°38'15° to a point of reverse curvature with a curve concave southeasterly and having a radius of 90.00 feet, a radial line of said curve from said point bears South 36°32'15° East; thence along said curve northeasterly 35.81 feet through a central angle of 22°47'41° to the FOINT OF BEGINNING.

CONTAINING: 74.81 Acres, more or less.

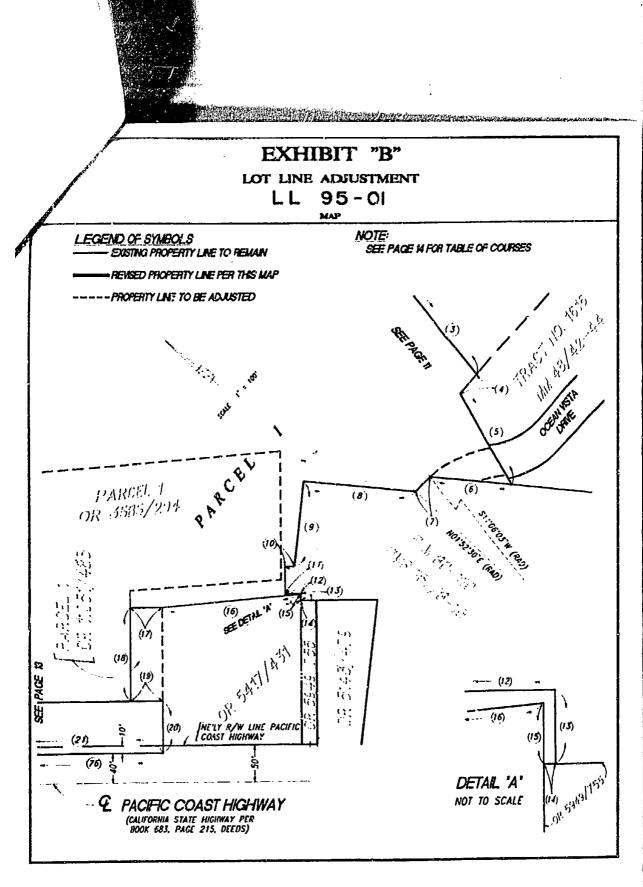
Page 9



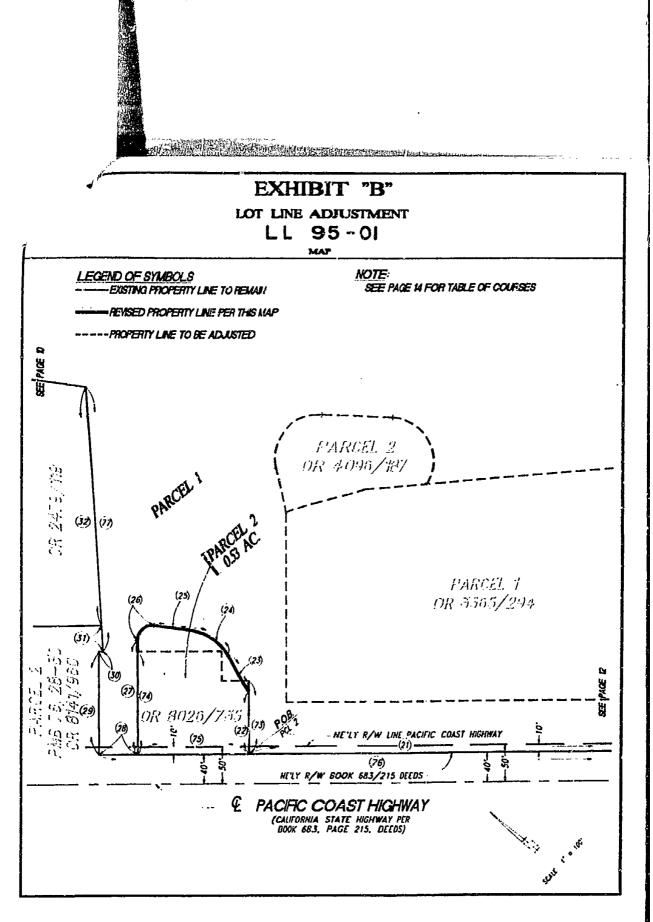
Page 10



Page 11



Page 12



Page 13

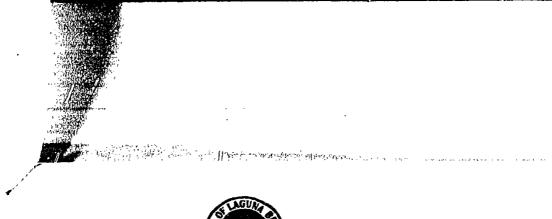
SELECTION OF THE PROPERTY OF T

LOT LINE ADJUSTMENT 95-01

MAP

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TABLE OF COURSES
      S 18*23'56" E
(2) S 4*16'07" E
                                                                                         112.00
                                          271.88
                                                                                   (55)
                                                                                                                          222.89
                                          141 78
                                                                                                                           173 25
                                                                                         (56) $ 85'50'00"
             S 10 17 43"
                                          140.80
                                                                                                                           65.92
                                                                                               5 01'10'00" #
       (4) N 87 05'00"
                                           35.12
                                                                                                                           140.00
                                                                                         (58) 5 85 50 00
             S 19 30 00"
                                          145 02
       (6) N 34 03 30"
                                                                                                                            92.20
                                          116 96
                                                                                         (60) 5 34 02 52°
                                                                                                                           115.07
                                    R = 180.00
                                                        1 = 28.98
             ∆=99°13′33
                                                                                                                           95.92
       (8) N 34 03'30
                                          141.30
                                                                                                                           102.75
                                                                                         (62) N 86'32'00"
            - S 55 *56 '30 "
                                          116.61
                                                                                                                            50.00
      (10) N 40 18'00"
                                            12.00
                                                                                         (64) N 03'28'00"
                                                                                                                           135.00
             5 49 42 00"
                                            37 00
                                                                                        (66) 5 78'43'00" E
                                                                                   (65)-
                                                                                                                            81 00
      (12) 5 40 18 00
                                           20.00
                                                                                                                            69.00
             " 49"42"00" W
                                             8.91
                                                                                                5 31 12 00 E
                                                                                                                            57.72
                                                                                   (67)
      (14) N 40*18'00
                                             0.20
                                                                                                                           100.25
                                                                                               S 06*48*00" W
S 49*13*17" E
             N 49 42 00"
                                                                                         (68) 5 06 48 00
                                                                                                                           948.10
                                                                                   (69)
      (16) N 45*19'05
                                          185,71
      N 40 18 00 W
(18) S 49 42 00 W
                                                                                         (70) N (00'27'51"
                                                                                                                         3254 . 75
                                           46.17
                                                                                              ~ N 89 37 53"
                                                                                   (71) N 89°3/ 22 (72) S 00°16°58° W (72) N 49°47°00° E
                                                                                                                         1370.88
                                          127.00
             S 40 18'00" E
                                                                                                                         1178.05
                                            46.17
                                                                                                                           100.00
      (20) 5 49 42 00
                                            70.00
                                                                                   N 40 18 00 W
(23) N 49 12 00 E
                                                                                                                           140.00
                                          610.81
                                                                                                                           150.00
                                           85.00
                                                                                                                          815 78
                                            57.42
                                                                                                                           360 28
                                                        L = 63.61
      (24) ∆=52 04 00°
                                            70.00
             N 32 40'00" W
                                            47.66
                                                        L = 34.08^{\circ}
      (26) △=97 38 00
                                           20.G0
                                          155, 14
      (26) N 40 18 00
                                          140.00
      (30) $ 40 18'00
             N 46 10 00
      (32) N 45 10 00 E.
N 31 26 20 W
                                          325.00
      (34) N 89 00 40 E
N 43 05 00 E
                                         1413.55
                                          515.25
      (36) N 9°45'30" E
N 87°45'00" E
(38) S 5°15'00" W
S 43°35'00" W
                                          377.51
                                          458.00
                                          612.00
                                          930.00
(.39)
      (46) A=21 15 27"
                                    R = 350.00
                                                           = 129.85
             -∆=63'5!'00"
                                                        L = 50.15
                                           45,00
      \begin{array}{c} \Delta = 63 \cdot 51 \cdot 00^{\circ} \\ \hline (42) \Delta = 32 \cdot 03 \cdot 39^{\circ} \\ \hline \Delta = 62 \cdot 46 \cdot 00^{\circ} \\ \hline (44) \Delta = 73 \cdot 38 \cdot 12^{\circ} \\ \hline (46) \Delta = 78 \cdot 8 \cdot 20^{\circ} \cdot 00^{\circ} \\ \hline (46) \Delta = 78 \cdot 8 \cdot 20^{\circ} \cdot 00^{\circ} \\ \hline (46) \Delta = 78 \cdot 8 \cdot 20^{\circ} \cdot 00^{\circ} \end{array}
                                                        L = 139.89
                                    R = 250.00
                                                        L = 87.64
                                          80.00
                                                        L = 218.48
                                         170,00
                                            78.00
                                                        L = 170.90'
                                          125.00
      5 29 10 00"
(48) \(\Delta=78\) 04 00"
                                          144.(X)
                                                        L = 61.31'
                                            45.00
             - S 48 54 00
                                            44.00
      (50) A=77 38 15"
                                                        L = 203.25^{\circ}
                                          150.00
      (52) N 40*11'48" E
S 79*02'45" E
                                                        L = 35.81'
                                          90.00
                                           130.00
                                           157.88
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Page 14





CERTIFICATION OF APPROVAL OF LOT LINE ADJUSTMENT NO.LL 95-01 ACTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH CALIFORNIA

30802 Coast Highway

Whereas, Section 66412(d) of the Subdivision Map Act makes provisions for local agencies to approve lot line adjustments where the land taken from one parcel is added to an adjacent parcel and where a greater number of parcels than originally existed is not thereby created; and

Whe reas, the City council of the City of Laguna Beach had reviewed Lot Line Adjustment No.LL 95-01 and has made a finding that the real property described in Exhibit A and shown on Exhibit B, complies with the provisions of the California Subdivision Map Act and applicable City ordinances and regulations; and

Whereas, the City Council of the City of Laguna Beach has made the following findings:

- That the proposal is eligible for processing as a lot line adjustment pursuant to Section 66412
 of the Subdivision Map Act; and
- 2. That the requirements of the California Environmental Quality Act have been met.

Therefore, it was resolved by Minute Motion on March 21, 1995 that the proposed Lot Line Adjustment No.LL. 95-01 as shown on Exhibits A and E was approved.

I, Rosalie A. Allen, Deputy City Clerk of the City of Laguria Beach, California, kereby certify that the above and foregoing action was taken by said City Council at a meeting hereof held on March 21, 1995.

Dated: March 23, 1995

Rosalie A. Allen, Deputy City Clerk City of Laguna Beach, California

505 FOREST AVE.

LAGUNA BEACH, CA 92651

TEL (714) 497-3311

FAX (714) 497 0771

RECYCLED PAPER

FORNIA ALL-PURPOSE ACKNOWLE	DGMENT No. 5601
State of California	
County of Orange	—
On March 23, 1995 before me	Verna L. Rollinger, Notary Public
personally appearedRosalie A.	Allen
VERNA I. DOLUNGER COMM. # 973509 Neurol Public — Colfornia CONNEE COUNTY My Comm. Expires 859 17, 1996	wed to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/sme subscribed to the within instrument and acknowledged to me that toe/she/these executed the same in the person(s) authorized capacity (times), and that by this/her/thesix signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my hand and official seal.
O	PTIONAL -
Though the data below is not required by law, it may profraudulent reattachment of this form.	ove valuable to persons relying on the document and could prevent
CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
INDIVIDUAL S CORPORATE OFFICER	Lot Line Adjustment Certification
Deputy City Clerk	TITLE OR TYPE OF DOCUMENT
PARTNER(S) LIMITED	one
ATTORNEY-IN-FACT	NUMBER OF PAGES
TRUSTEE(S) GUARDIAN/CONSERVATOR OTHER:	3-23-95
	DATE OF DOCUMENT
SIGNER IS REPRESENTING:	3-33-95 DATE OF DOCUMENT THORE SIGNER(S) OTHER THAN NAMED ABOVE
City of Laguna Beach	SIGNER(S) OTHER THAN NAMED ABOVE

Lot Line Adjustment 95-01