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STAFF REPORT: MATERIAL AMENDMENT

Amendment Application No.: A-1-MEN-07-028-A6

Applicant: Jackson-Grube Family, Inc.

Agent: Blair Foster, Wynn Coastal Planning

Location: 31502 North Highway One, approximately twelve miles north of Fort Bragg and four miles south of Westport, Mendocino County (APN 015-380-05).

Proposed Amendment: Modifications to an approved eight unit inn, including (1) converting the structure containing the existing ranch manager's residence into an innkeeper's residence with two full-time inn units, (2) converting the structure containing the existing Innkeeper's residence, office and part-time inn unit into two full-time inn units with Innkeeper office and kitchen remaining, and (3) adding three parking spaces within yard adjacent to the structure containing the existing ranch manager's residence.

Staff Recommendation: Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

Commission staff recommends **approval** of CDP amendment request A-1-MEN-07-028-A6, as conditioned.

Jackson-Grube Family, Inc. proposes to amend Coastal Development Permit A-1-MEN-07-028, granted by the Commission in 2010, for the redevelopment of an existing complex of ranch buildings and development of a six-unit inn four miles south of Westport in Mendocino County. As approved under the original CDP, the ranch and inn buildings are clustered within a 1.22 acre compound midway between the bluff edge and Highway 1 on the approximately 400-acre subject parcel. The coastal development permit has been amended several times to make various modifications to the originally approved development. The development as previously amended consists of an 8-unit inn, two of which are part time inn units that otherwise are part of an innkeeper's residence. The eight units are spread between three separate structures within the compound. One of the structures, the northeast inn building currently contains the innkeeper's residence. A separate structure, the southeast building currently contains a ranch manager's residence. Other approved development includes an equipment barn for the ranch, a generator/pump shed, water tanks, and parking.

The proposed amendment would make several further modifications to the inn, including (1) converting the structure containing the existing ranch manager's residence into the innkeeper's residence with two full-time inn units, (2) converting the structure containing the existing innkeeper's residence, office and part-time inn unit into two full-time inn units with the innkeeper office and kitchen remaining, and (3) adding three parking spaces within yard adjacent to the structure containing the existing ranch manager's residence.

The applicant's groundwater and septic system evaluations demonstrate that the existing water wells and septic systems serving the inn have sufficient capacity to serve the ten total inn units and other development that would be allowed under the permit as amended. Staff is recommending modifications to the existing special conditions to ensure that the size of the inn remains consistent with the land use and zoning designations applicable to the site. The LCP limits the number of inn units that can be allowed at the site to ten as currently proposed. Special Condition 7 states that any future development, including any proposed addition of more inn units will require a further amendment. In addition, Special Condition 7 prohibits the division of any approved inn unit into an additional unit without a permit amendment. Staff is also recommending Special Condition 28 which would prohibit the innkeeper's residence kitchen and office space, which would be located in a separate building from the other portions of the innkeeper's residence, from being rented or leased as a separate residence, to conform with provisions of the certified LCP that generally limit the number of residences per parcel to one per parcel.

The physical changes to the structures are largely limited to interior remodeling, although the amended development would also include adding a fence and pergolas, and three parking spaces. As all of the development would occur within the existing inn compound in and around existing structures and would not include new structures exceeding the height of the existing buildings, the proposed modifications to the development would be visually subordinate to the character of its setting. Furthermore, the two additional inn units would not significantly increase the demand

for public access nor affect the existing 1,600-foot-long lateral and vertical coastal access trails that were provided on the subject property as part of the originally approved development. Staff believes that as conditioned, the proposed project is consistent with all applicable Chapter Three policies of the certified Mendocino County LCP and the public access policies of the Coastal Act.

The motion to adopt the staff recommendation of approval with special conditions is found on [page 4](#).

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I. MOTION AND RESOLUTION

Motion:

*I move that the Commission **approve** the proposed amendment to Coastal Development Permit No. A-1-MEN-07-028 subject to the conditions set forth in the staff recommendation.*

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in conditional approval of the permit 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 the coastal development permit amendment on the grounds that the development as amended and subject to conditions will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit amendment complies with the California Environmental Quality Act because feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amended development on the environment.

II. STANDARD AND SPECIAL CONDITIONS

The original permit (CDP No. A-1-MEN-07-028) contains 5 standard conditions and 23 special conditions. CDP Amendment No. A-1-MEN-07-028-A2 deleted Standard Condition No. 4, modified Special Conditions 1, 2, 7, 9, 15, 16, and 22, and added Special Conditions 24 and 25. As further modified by CDP Amendment No. A-1-MEN-07-028-A6, Standard Condition Nos. 1, 3, 4, and 5 and Special Conditions Nos. 3, 5, 6, 8-14, 16-21, 23, and 24 remain in full force and effect. **Special Condition Nos. 1, 2, 7, 15, and 22 are modified as shown below and re-imposed as conditions of CDP Amendment No. A-1-MEN-07-028-A6. Special Condition No. 25 is deleted and new special conditions 26-27 are attached to CDP Amendment No. A-1-MEN-07-028-A2.** The new and modified conditions are listed below. Deleted wording is shown in ~~strikethrough~~ text, and new language appears as **bold double-underlined** text. For comparison, the text of all the original permit conditions is included in [Exhibit 9](#).

1. Conformance of the Design and Construction Plans to the Geotechnical Investigation Report

- A. All final design and construction plans, including bluff setback, foundations, grading, and drainage plans, shall be consistent with the recommendations contained in the Geotechnical Investigation report dated January 10, 2008 prepared by BACE Geotechnical. **PRIOR TO ISSUANCE OF COASTAL DEVELOPMENT PERMIT**

NO. A-1-MEN-07-028, the applicant shall submit, for the Executive Director's review and approval, evidence that a licensed professional (Certified Engineering Geologist or Geotechnical Engineer) has reviewed and approved all final design, construction, foundation, grading and drainage plans and has certified that each of those plans is consistent with all of the recommendations specified in the above-referenced geotechnical report approved by the California Coastal Commission for the project site.

- B. The permittee shall undertake development in accordance with the approved final plans as revised by the amended final plans titled, **"Inn at Newport Ranch" Jackson Grube Family Inn at Newport Ranch," prepared by Sellers & Company Architects-Wynn Coastal Planning (based on plans prepared by Sellers & Company Architects)** and dated **March 28, 2014 June 30, 2017 and revised July 5, 2017**. Any proposed changes to the approved final plans as revised by the amended final plans shall be reported to the Executive Director. No changes to the approved final plans as revised by the amended final plans shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

2. No Future Bluff or Shoreline Protective Device

- A. By acceptance of this permit, the applicant agrees, on behalf of himself and all successors and assigns, that no bluff or shoreline protective device(s) shall ever be constructed to protect the ~~new~~ main inn building, ~~rental-cottage~~ **building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence)** ~~ranch manager's unit~~, ranch equipment barn, generator/pump shed, ~~innkeeper's unit and associated guest unit and~~ garage, septic system, driveway, and utility lines authorized pursuant to Coastal Development Permit No. A-1-MEN-07-028, in the event that the main inn building, ~~rental-cottage~~ **building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence)** ~~ranch manager's unit~~, ranch equipment barn, generator/pump shed, ~~innkeeper's unit and associated guest unit and~~ garage, septic system, driveway, and utility lines are threatened with damage or destruction from waves, erosion, storm conditions, bluff retreat, landslides, ground subsidence, or other natural hazards in the future. By acceptance of this permit, the applicant hereby waives, on behalf of himself and all successors and assigns, any rights to construct such devices to protect the main inn building, ~~rental-cottage~~ **building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence)** ~~ranch manager's unit~~, ranch equipment barn, generator/pump shed, ~~innkeeper's unit and associated guest unit and~~ garage, septic system, driveway, and utility lines that may exist under Public Resources Code Section 30235 or under Mendocino County Land Use Plan Policy No. 3.4-12, and Mendocino County Coastal Zoning Code Section 20.500.020(E)(1).
- B. By acceptance of this Permit, the applicant further agrees, on behalf of himself and all successors and assigns, that the landowner shall remove the main inn building, ~~rental~~ cottage **building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence)** ~~ranch manager's unit~~, ranch equipment barn, generator/pump shed, ~~innkeeper's unit and associated guest unit and~~ garage, septic system, driveway, and utility lines authorized by this permit if any government agency has ordered that the structures are not to be occupied due to any of the hazards identified above. In the event that portions of the main inn building, ~~rental~~

cottage building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines fall to the beach before they are removed, the landowner shall remove all recoverable debris associated with the development from the beach and ocean and lawfully dispose of the material in an approved disposal site. Such removal shall require a coastal development permit.

- C. In the event the edge of the bluff recedes to within 10 feet of the main inn building, ~~rental cottage~~ building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines but no government agency has ordered that the structures not be occupied, a geotechnical investigation shall be prepared by a licensed geologist or civil engineer with coastal experience retained by the applicant, that addresses whether any portions of the structures are threatened by waves, erosion, storm conditions, or other natural hazards. The report shall identify all those immediate or potential future measures that could stabilize the main inn building, ~~rental cottage~~ building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines without shore or bluff protection, including but not limited to, removal or relocation of portions of the main inn building, ~~rental cottage~~ building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines. The report shall be submitted to the Executive Director and the appropriate local government official. If the geotechnical report concludes that the main inn building, ~~rental cottage~~ building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines is unsafe for use, the permittee shall, within 90 days of submitting the report, apply for a coastal development permit amendment to remedy the hazard which shall include removal of the threatened portion of the main inn building, ~~rental cottage~~ building, southeast inn building (formerly ranch manager's residence), northeast inn building (formerly innkeeper's residence) ranch manager's unit, ranch equipment barn, generator/pump shed, innkeeper's unit and associated guest unit and garage, septic system, driveway, and utility lines.

7. Future Development Restrictions

- A. This permit is only for the development described in Coastal Development Permit Amendment No. A-1-MEN-07-028-~~A2A6~~. Any future improvements to the authorized structures and other approved development and any changes in use of the structures will require a further permit amendment or a new coastal development permit.
- B. The ~~six~~ ten approved inn units in the main building (3 units), northeast inn building (2 units), southeast inn building (2 units) and cottage (3 units) are intended to be used for

commercial transient occupancy purposes only. When and if any of the inn units cease to be used for commercial transient occupancy purposes, a coastal development permit amendment or new coastal development permit application shall be obtained to either remove the unit or convert the unit to a use consistent with the certified Mendocino County LCP.

- C. ~~When not being occupied by the innkeeper or his/her guests, the innkeeper's unit and associated guest unit are to be used for commercial transient occupancy purposes only.~~ When and if ~~these units~~ **the innkeeper's residence** ceases to be used for either the ~~innkeeper's residence or commercial transient occupancy~~ **for these** purposes, a coastal development permit amendment or new coastal development permit application shall be obtained to either remove the ~~units~~ **residence** or convert the ~~units~~ **residence** to a use consistent with the certified Mendocino County LCP.
- D. **Any division of any of the approved units to create additional units would require a permit amendment.**

15. **Special Events.** Special events are gatherings of multiple persons using the approved inn and ranch complex and other parts of the subject property for purposes other than, or in addition to, overnight accommodations in the approved guest units for which the managers of the inn or their employees or agents either (a) charge a fee for the use or services to accommodate the use, or (b) exclude the general public. Examples of special events include weddings, organizational retreats, lectures, classes, business meetings or meetings of other organizations for which the managers of the inn or their employees or agents either (a) charge a fee for the use or services to accommodate the use, or (b) exclude the general public. Special events shall be subject to the following restrictions:
- A. Special events at the facility shall be limited to a maximum of 99 persons and to a maximum of 12 events per year. Gatherings of 100 or more persons or requests for more than 12 special events per year shall require an amendment to this coastal development permit.
- B. During temporary events and at all other times, the number of vehicles parked at the site shall be limited so that all of the vehicles of visitors, guests, workers, and others staying at or working at the inn and ranch can be accommodated in the 14 space primary parking lot, within the 2-space guest garage structure, and the ~~24~~ **25** space overflow parking area. No parking is allowed elsewhere on the project site as shown in Exhibit No. ~~28~~ **4**, including, but not limited to areas along the driveway or in the fields adjoining the inn complex.
- C. Any tents installed to accommodate temporary events shall be located within the confines of the perimeter fence to be installed around the inn and ranch complex.
- D. Special events shall have duration of no more than three days.
- E. Special events shall be non-consecutive and any tents or other temporary structures and facilities installed to accommodate a temporary event shall be taken down within 48 hours of each special event.
- F. A coastal development permit amendment for a temporary event of 100 or more persons or for a special event that is the 13th or greater event held at the site in the last year shall be obtained prior to holding the event.

22. **Length of Stay Provisions.** All ten inn units in the main building and cottage shall be open and available to the general public. Rooms may not be rented to any individual, family, or group for: (1) more than 30 consecutive calendar days counting portions of calendar days as full days; or (2) no more than 60 days per year. ~~When not being occupied by the innkeeper or his/her guests, the innkeeper's unit and associated guest unit shall be open and available to the general public as the inn's seventh and eighth visitor accommodation units, and shall not be rented to any individual, family, or group for: (1) more than 30 consecutive calendar days counting portions of calendar days as full days; or (2) no more than 60 days per year.~~

26. **Deed Restriction. PRIOR TO ISSUANCE OF COASTAL DEVELOPMENT PERMIT A-1-MEN-07-028-A6, the Applicant shall submit to the Executive Director for review and approval documentation demonstrating that the Applicant has executed and recorded against the property governed by this permit a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit as amended, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property; and (2) imposing the Special Conditions of this permit as amended as covenants, conditions and restrictions on the use and enjoyment of the property. The deed restriction shall include a legal description of the entire parcel or parcels governed by this permit amendment. The deed restriction shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit, as amended, shall continue to restrict the use and enjoyment of the property so long as either this permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the property. This deed restriction shall supersede and replace the deed restriction recorded pursuant to Special Condition 24 of Coastal Development Permit Amendment No. A-1-MEN-07-028-A2, approved May 16, 2014, which deed restriction is recorded as Instrument No. 2014-07394 in the official records of Mendocino County**

27. **PRIOR TO ISSUANCE OF COASTAL DEVELOPMENT PERMIT AMENDMENT NO. A-1-MEN-07-028-A6, the applicant shall submit, for the Executive Director's review and approval, a copy of the approved use permit modification issued by the County of Mendocino for the proposed project revisions. The Applicant shall inform the Executive Director of any changes to the project required by the County. Such changes shall not be incorporated into the project until the applicant obtains a further Commission amendment to this coastal development permit, unless the Executive Director determines that no amendment is legally required.**

28. **Restrictions on Innkeeper's Residence. The following restrictions shall apply with respect to the Innkeeper's Residence: (1) the Innkeeper's Residence within the southeast inn building shall only be used by the innkeeper who occupies the residence and acts as the caretaker, manager or superintendent or the inn, (2) the**

Innkeeper’s kitchen and office space located in the northeast Inn building shall not be converted into an additional residence that is rented or leased separately from the Innkeeper’s residence.

III. FINDINGS AND DECLARATIONS

The Commission hereby finds and declares as follows:

A. PROJECT HISTORY AND AMENDMENT DESCRIPTION

Approved Project

On August 11, 2010, the Commission approved with conditions Coastal Development Permit (CDP) A-1-MEN-07-028 for the demolition of five existing ranch buildings and the development of a six unit ranch and inn compound at 31502 North Highway One, Mendocino County. The subject property is located on the west side of Highway One in rural northern Mendocino County approximately four miles south of Westport and 12 miles north of Fort Bragg. The site is located on a gently-sloping marine terrace that extends approximately one-quarter mile from the ocean bluff edge to the coastal hills east of Highway One. There is very little development on either side of the highway in the immediate vicinity of the site as the surrounding grassy terrace and hillsides are largely used for agricultural grazing. To protect the rural, agricultural character of the setting and scenic views to and along the ocean, the area is designated as “highly scenic” in the certified Mendocino County LCP.

The permit was issued on August 29, 2011[[Exhibit 10](#)]. In 2013, two immaterial amendments were issued for changes in roofing materials and septic system improvements¹, and [[Exhibits 11 and 13](#)]. Additionally, the Commission approved a material amendment under CDP No. A-1-MEN-07-028-A2 involving (1) converting portions of the garage into a one bedroom innkeeper’s unit (662 sq. ft.) and an associated guest unit (318 sq. ft.), both to be used occasionally as visitor accommodations; (2) extending the south eave of the equipment barn and installing a photovoltaic array on its roof; (3) installing a trellis on the cottage; (4) enclosing the north porch of the main building and enlarging its east patio; (5) making numerous glazing revisions to the main building, cottage, and garage; (6) installing three 3,000 gallon water tanks; (7) adding two retaining walls; (8) rearranging guest parking and exterior lighting; and (9) maintaining and upgrading the existing driveway instead of developing a new driveway alignment as originally approved. An additional amendment was proposed in 2013, but was withdrawn². Finally, an additional immaterial amendment³ was approved for the relocation of two garage parking spaces to the courtyard of the compound, and the conversion of the garage space into an office, storage room and porch area [[Exhibit 14](#)].

¹ CDP Amendment No. A-1-MEN-07-028-A1; CDP Amendment No. A-1-MEN-07-028-A3

² CDP Amendment No. A-1-MEN-07-028-A4 (withdrawn)

³ CDP Amendment No. A-1-MEN-07-028-A5

The development as previously amended consists of an 8-unit inn, two of which are part time inn units that otherwise are part of an innkeeper’s residence. The eight units are spread between three separate structures within the compound, the main inn building (3 units), the cottage building (3 units), and the northeastern inn building (2 part-time units), which also contains the current inn building currently contains the innkeeper’s residence. A separate structure, the southeast building currently contains a ranch manager’s residence. Other approved development includes an equipment barn for the ranch, a generator/pump shed, water tanks, and parking. The ranch and inn compound were constructed in the general location of the buildings to be demolished, an approximately 1.22-acre area midway between the bluff edge and the highway. The approved Inn at Newport Ranch compound contains five main buildings: (1) Main building; (2) Cottage building; (3) Equipment barn; (4) Southeast inn building; and (5) Northeast inn building. In total the approved development includes 40 parking spaces, five within the proposed garage, 10 within the ranch and inn compound, and 25 in an unpaved overflow parking area just southeast of the compound.

The approved permit, as amended, includes 25 special conditions. A number of these special conditions address the protection of visual resources to ensure that the development remains subordinate to the character of its setting. The approved permit also includes special conditions that restrict the use of the six inn units and the Innkeeper’s guest unit for visitor-serving uses.

Proposed Amendment

Under the current amendment request, the applicant would increase the total number of inn units to 10. The Ranch Manager resides offsite and will continue to do so, which enables the proposed conversion of the previously approved Ranch Manager’s unit in the southeast inn building into two additional inn units. The Innkeeper’s residential facilities currently contained in the northeast inn building would be split between two buildings, with the primary residence, minus the kitchen, to be located in the southeast inn building, and the innkeeper’s kitchen to be housed with the innkeeper’s office in the northeast inn building. Other proposed modifications to the approved ranch and inn design include the following additions: (1) windows, a gas stove, hot tub, and pergola to the existing Southeast inn building; (2) wooden fencing and a pergola adjacent to the existing Northeast inn building; and (3) three parking spaces adjacent to the existing Southeast inn building. Project plans are attached as [Exhibit 3](#), and the project changes over time with respect to the total number of visitor-serving guest units and residences on the property are summarized in Table 1 below.

Table 1. Changes to total number of guest units (G) and residential units (R) approved/proposed over time under CDP A-1-MEN-07-028 and its two material amendments (A-1-MEN-07-028-A2 and –A6).

No. of Units	Permit Approved August 2010	Amendment –A2 Approved May 2014	Amendment A6 (current proposal)
Main Inn Building	3G	3G	3G
Cottage Building	3G	3G	3G
Northeast Inn Building*	1R	1R+2G	2G
Southeast Inn Building**	1R	1R	1R+2G
Equipment barn	0	0	0

Total	6G+1R	8G+2R	10G+1R
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*Garage converted to Innkeeper’s Unit and associated guest unit, both to be used as occasional guest rentals.

**Ranch Manager Residence converted to Innkeeper’s Unit and associated guest unit.

B. STANDARD OF REVIEW

Since the proposed project is within an area for which the Commission has certified a Local Coastal Program (LCP) and is located between the first public road and the sea, the applicable standard of review for the Commission is the Mendocino County certified LCP and the public access policies of the Coastal Act.

C. OTHER REQUIRED APPROVALS

The proposed amended development requires a use permit modification from the County of Mendocino. The County is processing an immaterial amendment to Use Permit No. 6-2006/2012. New Special Condition 27, requiring the applicant to submit a copy of the County’s approval to the Executive Director prior to issuance of the CDP amendment, is added to ensure that the necessary local approval is obtained and that the development authorized by the County is consistent with the development authorized by the amended CDP.

D. CONSISTENCY WITH LUP AND ZONING DESIGNATION

The portion of the property on which the development is proposed is both designated in the County’s certified LUP and zoned in the County’s certified Implementation Plan as Remote Residential RMR-20:PD *1C. Section 20.380.005 of Mendocino County’s Coastal Zoning Code (CZC) indicates that the Remote Residential District is intended to be applied to lands within the coastal zone which have constraints for commercial agriculture, timber production, or grazing, but which are well suited for small scale farming, light agriculture and low density residential uses, or where the land has already been divided and substantial development has occurred. The “20” attached to the designation and zoning indicates that the minimum parcel size for land division purposes is one parcel for every 20 acres. The Planned Unit Development (PD) designation requires that new development be subject to site plan review to ensure maximum preservation of open space, protection of views from public roads, and resource protection, while allowing development provided for by the Coastal Plan. The *1C designation is a land use and zoning overlay over the base remote residential land use classification and zoning district that allows for the construction of up to a 10-unit inn or 4-unit bed and breakfast facility with a coastal development use permit. The overlay is one of several visitor accommodation and services (VAS) combining districts defined in the LUP that cover a variety of visitor use types ranging from campgrounds to resorts.

In its 2010 de novo review of the original permit, the Commission found the proposed combination of ranching and visitor serving uses consistent with the Remote Residential RMR-20:PD *1C LUP designation and zoning for the site. The *1C designation allows a maximum density of ten guest rooms or suites and the inn as originally approved had six units [CZC §20.436.030(A)(1)(a)]. The approved ranch facilities are a form of “Light Agriculture” which is a principally permitted use within the RMR zoning district [CZC §20.380.005(B)]. The approved

ranch manager's unit is a residential use that is principally permitted within the RMR district [CZC §20.380.005(A)].

Most of the changes under the proposed amendment are design alterations to the approved buildings and adjustments to the site layout within the approved development footprint; they do not involve the addition of new structures or a modification to the building envelope, and therefore do not raise issues of zoning and land use compliance.

However, two significant changes under the proposed amendment do involve changes of use and raise issues of land use and zoning compliance, including (1) the conversion of the existing Ranch Manager's Unit in the southeast inn building to a structure containing two full-time guest units and the relocated Innkeeper's residence, and (2) the conversion of the previously approved Innkeeper's residence and two part-time guest units in the northeast inn building to two full-time guest units. The Ranch Manager, while originally approved to reside on site, has been residing offsite and will continue to do so. Because of the remote location of the property, the applicant authorized an innkeeper to live at the inn and prepare meals for guests upon request. Under the original permit approval, the Commission found that an innkeeper's unit constitutes an Employee Caretaker Unit, which is a conditional use under the *1C VAS combining district [CZC §20.436.015(A)]. An Employee Caretaker Unit is defined in CZC Section 20.316.030 in relevant part as one single-family dwelling or a single trailer coach occupied by a caretaker or manager or superintendent of the site's Visitor Accommodations and Services and his/her family.

Under permit amendment A2, **Special Condition No. 25** was added to the permit to ensure that an attached bedroom for the innkeeper's guests would not be rented or leased as a permanent residence separate from the Innkeeper's Unit. The applicant now is proposing to relocate the innkeeper's residence to the southeast building while retaining the innkeeper's kitchen and office in the northeast building and converting the two previously approved part-time guest units into two full-time guest units. Thus, Special Condition 25 is no longer applicable and shall be deleted. However, a new special condition, **Special Condition No. 28**, has been added under this permit amendment to ensure that the innkeeper's kitchen and office space located in the northeast inn building is only used by the innkeeper and not rented or leased as a separate residential unit. By prohibiting the use of the innkeeper's kitchen and office as a separate residence, Special Condition No. 28 ensures that the inn will conform with the residential density limitations of the land use and zoning designations applied to the site. Any changes would require a permit amendment, and, likely, an LCP amendment due to the residential density limitation of the zoning district, and to evaluate whether there is adequate capacity of septic, water, and of Highway to serve an increase in density.

Special Condition 7 states that any changes in use of describes the array of inn and residential units that had been approved through Amendment A2 and states that any changes in use of these units shall require a new permit amendment or CDP. **Special Condition 7** is updated, modified and re-imposed to ensure that (a) a permit amendment and LCP amendment will be necessary for removal or conversion of the units. Because the current amendment increased the total inn units at the inn to the maximum of 10 allowed under the *1C combining zone applicable to the site, Special Condition 7 has also been modified to state that any division of the approved units to create new units would also require permit amendment.

The Commission modifies and re-imposes **Special Condition No. 22** to require that all ten units in the main building, cottage building, southeast inn building, and northeast inn building shall be open and available to general public, and rooms may not be rented to any individual, group, or family for more than 30 consecutive calendar days or more than 60 days per year. These requirements ensure that the visitor accommodation units are used by “transient guests” as defined in CZC Section 20.308.115(F). In addition, **Special Condition No. 7**, as modified as discussed above, states that any changes in use of these units shall require a new permit amendment or CDP. As the Commission would have the opportunity to review any changes in use, the Commission can ensure that the development will continue to be consistent with the certified LUP and zoning designation applicable to the site. Therefore as conditioned, the addition of an Innkeeper’s Unit and Guest Unit both to be used as occasional visitor accommodation units is consistent with the *1C land use and zoning overlay.

E. ADEQUACY OF AVAILABLE SERVICES

Adequacy of Available Water

Mendocino County LUP Policy 3.8-9 requires that commercial developments and other potential major water users show proof of an adequate water supply and evidence that the proposed use shall not adversely affect contiguous or surrounding water sources/supplies. The approved development relies on groundwater pumped from an existing well on the property drilled in 1994. The project site lies within an area containing “Critical Water Resources” as designated by the 1982 Mendocino County Coastal Ground Water Study. Given that groundwater is relatively scarce in the area and that the inn will rely on groundwater, a potential issue is raised as to whether the development as amended is consistent with LUP Policy 3.8-9.

The current amendment increases the total number of guest units to 10, but reduces the number of residences to one. The Southeast inn building (formerly Ranch Manager’s Unit) was one residential unit, and now will be converted to two guest units, and one residential unit (innkeeper). The Northeast inn building (formerly Innkeeper’s Residence) will be converted to two guest units with the residential use of the innkeeper moving to the Southeast inn building. In sum, the amendment increases the number of inn units by two and decreases the number of residences on the site by one. Under the original permit approval, a hydrology study conducted by Questa Engineering in 2008 concluded that the site would support a 10-unit inn and a two bedroom Innkeeper’s Unit and a total of 5 hot tubs. The development was estimated to require a maximum daily need of 3,800 gallons of water per day. In November 2017, Carl Rittman and Associates conducted an updated analysis regarding adequacy of water supply for the proposed amendment, which was also reviewed and approved by the Mendocino Department of Environmental Health on December 15, 2017 [[Exhibit\(s\) 4 and 5](#)]. The analysis concluded and verified that there is adequate water supply to serve the proposed development as amended. The wells have been tested and reported to produce approximately 9,000 gallons of water per day sustained yield. The conversion of the Ranch Manager’s Unit to Inn units will result in the same demand for water to serve residential uses at the site considered in the hydrology study in 2008. The additional hot tubs will require an additional 160 gallons of water per day resulting in a maximum flow estimate of 3,960 gallons per day. At 80% occupancy, this figure represents

35.2% of the 9,000 gallons per day sustained yield. The use of 3,800 gallons per day will represent only about 35.2% of the Inn at Newport Ranch's demonstrated well production. Therefore, the Commission finds that the well has ample capacity to serve the development as amended, and the use of the well to serve the amended project will not drawdown groundwater to the extent that would adversely affect contiguous or surrounding water sources and supplies, consistent with the requirements of LUP Policy 3.8-9.

Septic System Capacity

CZC Section 20.532.095 requires that the granting or modification of any CDP be supported by findings that solid waste capacity has been considered and is adequate to serve the proposed development.

The wastewater disposal system that serves the development at this site is split into two distinct systems. The system serving the main house and cottage is the large gravity-fed leach field to the southwest of the main house. The existing leach field consists of 180 linear feet of three-foot wide leaching trench with one foot of drain rock beneath the leaching pipe. This leach field 900 square feet (sf) of infiltrative surface and with a soil application rate of 0.5 gallons per square foot per day it will accommodate a daily wastewater flow of 450 gallons per day. [\[Exhibit 6\]](#) Under the previous CDP amendment, the applicant was granted after-the-fact approval for a second large septic system. The second system includes a separate septic tank, pump tank, and pressurized leach field to serve the two bedroom southeast inn building (formerly Ranch Manager's Unit). The leach field is located to the east of the development near Highway One.

The Mendocino County Department of Environmental Health has evaluated and approved the development's septic system design as sufficient to serve the development as proposed to be amended. Therefore, the Commission finds that the amended development as conditioned has sufficient septic system capacity, consistent with the requirements of CZC Section 20.532.095.

Highway One Capacity

CZC Section 20.532.095 also requires that the granting or modification of any CDP be supported by findings that public roadway capacity has been considered and is adequate to serve the proposed development. The project under consideration is accessed directly from Highway One. A traffic analysis, prepared by Whitlock & Weinberger Transportation, Inc. and dated January 14, 2008, studied the potential impacts of the project on Highway One. At the time of the analysis, the proposed project consisted of a 10-unit inn. According to the analysis, the Caltrans Highway Capacity Manual (2000) estimates that the "ideal capacity" of a two lane highway is 3,200 passenger cars per hour, and Highway One in the vicinity of the project is not estimated to be carrying that volume of traffic in a day. Based on Caltrans' District 1 growth factors for State Highways in the district (2002), the volume along Highway One in the vicinity of the proposed inn is only projected to raise to approximately 2,600 trips per day and 470 weekday p.m. peak hour trips by the year 2027. This means that by the year 2027, the capacity available at peak hours will be approximately six times the volume of traffic projected to occur (3,200/470). An anticipated trip generation for the proposed development of 70 daily trips and 4 peak hour trips was estimated using standard rates for a 10 unit "Resort Hotel" published by the Institute of Transportation Engineers (ITE) in *Trip Generation*, 7th Edition. Adding the four projected peak

hour trips generated by the inn to the projected traffic volumes for 2027 still leaves the available capacity at many times the peak hour volume of traffic that is projected to occur.

The proposed conversion of the approved southeast inn building from a structure containing the manager's residence to a structure containing two full-time guest units and the Innkeeper's residence (with no kitchen) is not expected to significantly increase highway impacts. Therefore, the Commission finds that the public road capacity of Highway One is adequate to serve the amended development consistent with CZC Section 20.532.095.

F. VISUAL RESOURCES

The project site is located on the west side of Highway One in rural northern Mendocino County within a designated "highly scenic" area. The surrounding land consists largely of a gently-sloping coastal terrace that extends approximately one-quarter mile from the ocean bluff edge to the coastal hills east of Highway One. There is very little development on either side of the highway in the immediate vicinity of the project site, with the exception of a few scattered residences on the east side of the highway, three houses and a winery scattered along the west side of the highway beginning approximately one mile north of the applicant's ranch, and several homes west of the highway on parcels within a half mile south of the proposed development site. The surrounding terrace and hillsides are predominantly covered with low-growing grasses and largely used for cattle grazing. The lack of trees and the limited and widely scattered development in the immediate vicinity of the project site gives the landscape a very open appearance. As a result, the views to and along the coast from narrow two-lane Highway One are sweeping and vast in this area.

Due to the flat terrain of the terrace and lack of tall vegetation, the development site is highly visible from Highway One in both directions. Northbound travelers on the highway first see the development several hundred feet to the south of the site. Southbound travelers first see the development across the gently-sloping coastal terrace from a location along the highway nearly a mile north of the site. The development is also highly visible from a lateral access trail (the Newport Coastal Trail⁴) that runs along the property parallel to the Highway One right-of-way, and from the vertical access easement that connects the Newport Coastal Trail to the bluff edge north of the development.

The Mendocino County LCP sets forth numerous policies regarding the protection of visual resources, including several policies specific to development in designated highly scenic areas, and several policies specific to development on coastal terraces (see Appendix C). LUP Policies 3.5-1 and 3.5-3, and CZC Sections 20.504.015(C)(3) and 20.504.020 all require that new development in highly scenic areas are subordinate to the character of its setting. LUP Policy 3.5-3 and CZC Section 20.504.015 also require that any development permitted in highly scenic areas provide for the protection of ocean and coastal views from public areas including highways, roads, coastal trails, vista points, beaches, parks, coastal streams, and waters used for recreational purposes. In addition, LUP Policy 3.5-3 and CZC Section 20.504.015(C)(3) require

⁴ The trail's name was changed in 2015 from the Kibesillah Coastal Trail to the Newport Coastal Trail, to match the land's more accurate place name and that of the recently constructed Inn at Newport Ranch. https://www.mendocinolandtrust.org/site/assets/files/1224/04_newporttrail_data.pdf

that new development in highly scenic areas minimize reflective surfaces and utilize building materials that blend in hue and brightness with their surroundings. LUP Policy 3.5-4 and CZC Section 20.504.015(C)(7) require that the visual impacts of development on terraces be minimized by such measures as minimizing the number of structures and clustering them near existing vegetation, natural landforms or artificial berms, and designing development to be in scale with the rural character of the area.

On appeal, the original project as approved by Mendocino County in 2007 raised a substantial issue as to whether the development would be subordinate to the character of its setting. To address this issue, the applicant proposed various project changes for the Commission's de novo review, including clustering and confining the inn development within a 1.22-acre compound on the site. The Commission found that the revised development would continue to be bulkier and taller than the existing ranch compound and would block some additional blue water views, but would nevertheless retain the existing visual character of the site because it would be located in the same general location as the existing ranch buildings and would be set against a backdrop of vast open space.

This determination that the visual impacts of the development would not be significant was dependent upon retaining the agricultural land and open space around the site. In this case, the applicant owns approximately 1,650 acres of ranch and timberland surrounding the site. The Commission was therefore able to impose two special conditions restricting future development on surrounding land, ensuring continued conformance with the LUP's visual resource policies. **Special Condition No. 5** prohibits most types of development on six of the applicant's parcels west of Highway One, restricting the land to agriculture and open space use without significant structures that block views. **Special Condition No. 6** ensures that the APN containing the subject ranch and inn compound and the two APNs surrounding the development are neither divided nor conveyed separately. These two conditions, re-imposed without changes under this amendment, ensure that the large expanse of uninterrupted viewshed surrounding the development will remain to counter-balance the blockage of additional blue water views and the greater massing of development that results from the approved project.

The proposed amendment includes modifications to the approved ranch and inn design, including (1) adding windows, a gas stove, hot tub, and pergola to the existing Ranch Manager's Unit; and (2) adding wooden fencing and a pergola adjacent to the existing Innkeeper's Residence. The additional window glazing is relatively minimal (14.45 square feet additional glazing to the previous approved 84.73 square feet of glazing), is only partially visible from Highway One, and upon maturation of the required landscaping under the original permit, the added windows will not be visible from the highway or public access areas.

Pursuant to **Special Condition No. 12** of the original permit, which is re-imposed under this amendment with no changes, the new windows will be non-reflective to minimize glare. There is no proposed change in the approved colors of the buildings' siding or roofing and no proposed change to the height of the buildings. For all these reasons, there will be no significant increase in the visual impact of the buildings.

The rest of the improvements authorized by the proposed amendment are clustered within the approved footprint of the compound where they are depressed into the natural grade and partially shielded from the road by berms and plantings, minimizing their visual impact. The ranch and inn compound will continue to occupy an approximately 1.22-acre portion of the property while the vast majority of the parcel, as well as the surrounding 1,650 acres, will remain open and designated as agricultural and timber preserves.

The amended development as conditioned thus remains subordinate to the character of its setting, and the Commission finds it consistent with the visual resource protection policies of the certified LCP.

G. PUBLIC ACCESS

Projects located between the first public road and the sea within the CDP jurisdiction of a local government is subject to the coastal access policies of both the Coastal Act and the LCP. To approve the proposed project amendment, the Commission must find the project to be consistent with the public access policies outlined in Section 30210, 30211, 30212, and 30214 of the Coastal Act and the shoreline access policies contained in Mendocino County's LUP Section 3.6. Section 30210 of the Coastal Act requires that maximum public access shall be provided consistent with public safety needs and the need to protect natural resource areas from overuse. Section 30212 of the Coastal Act requires that access from the nearest public roadway to the shoreline be provided in new development projects, except where it is inconsistent with public safety, military security, or protection of fragile coastal resources, or where adequate access exists nearby. Section 30211 of the Coastal Act requires that development not interfere with the public's right to access gained by use or legislative authorization. Section 30214 of the Coastal Act provides that the public access policies of the Coastal Act shall be implemented in a manner that takes into account the capacity of the site and the fragility of natural resources in the area. In applying Sections 30210, 30211, 30212, and 30214, the Commission is also limited by the need to show that any denial of a permit application based on these sections or any decision to grant a permit subject to special conditions requiring public access is necessary to avoid or offset a project's adverse impact on existing or potential access. Mendocino County's LUP Section 3.6 reiterates these Coastal Act policies.

The Commission's decision to approve CDP A-1-MEN-07-028 was based in part on the applicant's proposal to provide various public access improvements. These include providing public access improvements previously granted to the County of Mendocino as part of the approval of an earlier inn project for the site including (a) conveyance of fee title to the County of a one acre portion of the property between Highway One and the ocean; (b) \$25,000 paid to the County toward development of coastal access in the area; and (c) dedication of a 15-footwide lateral easement along approximately 6,000 feet of the applicant's property on the seaward side of the Highway One right-of-way. The public access improvements also include an approximately 1,000-foot-long extension of the lateral public access easement and an offer-to-dedicate a 10-foot wide vertical pedestrian access from Highway One to the coastal bluff at the northern end of the property. The vertical public access easement includes a 25-foot-long by 25-foot-wide public viewing area at the end of the trail and a parking area for at least five vehicles off of Highway One.

Prior to issuance of CDP A-1-MEN-07-028, pursuant to Special Condition No. 20, the applicant executed and recorded a document demonstrating conveyance of fee title to the County for an approximately one-acre portion of the property, as well as evidence that they had executed and recorded a dedication to the Mendocino Land Trust for the lateral easement. Since CDP A-1-MEN-07-028 was issued, the Mendocino Land Trust has opened the 1.5 mile Newport Coastal Trail within the lateral public access easement. This lateral trail is now a significant segment of the California Coastal Trail, offering sweeping coastal views across the applicant's lands. In addition, prior to issuance of CDP A-1-MEN-07-028, pursuant to Special Condition No. 17, the applicant recorded an offer to dedicate (OTD) easements for public access on May 31, 2011, including the extension of the 15-foot-wide lateral easement, the 10-foot-wide vertical easement, the viewing area at the seaward end of the vertical access easement, and the easement for the 5-car parking area. On December 12, 2011, the Mendocino Land Trust accepted the OTDs. In the summer of 2016, the Trust installed a parking lot and a trail to the bluff edge.

The proposed project amendment would have a negligible impact on demand for public access in the area. The amendment only minimally increases the demand for public access. Residents and guests are among the primary users of the Newport Coastal Trail. The amendment increases the number of inn units by two and decreases the number of residences on the site by one, resulting in a net gain of potential public access users per day by roughly the number of occupants of one inn unit. It is notable that with the relatively remote location of the inn and its associated public access facilities on the northern Mendocino Coast are far from urban areas and even rural towns, the public access facilities are used less frequently than similar facilities in more populous areas and can readily absorb the increased use that might be generated by the net increase in demand for public access from the inn as a result of the amendment. In addition, the proposed amendment does not affect the vertical and lateral public access secured through the original permit. Therefore, the Commission finds that the amended development as conditioned does not have any significant adverse effect on public access and is consistent with the requirements of Coastal Act Sections 30210, 30211, 30212, and 30214.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 of the Commission's administrative regulations requires Coastal Commission approval of coastal development permit applications to be supported by a finding showing the application, as modified by any conditions of approval, is consistent with any applicable requirement 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 any feasible alternatives or feasible mitigation measures available, which would substantially lessen any significant adverse effect the proposed development may have on the environment.

The Commission incorporates its findings on conformity with Coastal Act policies at this point as if set forth in full. As discussed above, the project as proposed to be amended has been conditioned to be consistent with the certified Mendocino County LCP. No public comments regarding potential significant adverse environmental effects of the project amendment were received prior to preparation of the staff report. As specifically discussed in these above findings, which are hereby incorporated by reference, mitigation measures that will minimize or avoid all significant adverse environmental impacts have been required. As conditioned, there are no

feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impacts which the activity may have on the environment. Therefore, the Commission finds that the proposed amended development, as conditioned to mitigate the identified impacts, can be found to be consistent with the requirements of the Coastal Act to conform to CEQA.