

CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE
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W11b

A-5-LGB-21-0023 (Honarkar)

May 12, 2021

Correspondence

Spencer, Amrita@Coastal

From: SouthCoast@Coastal
Sent: Wednesday, May 5, 2021 11:16 AM
To: Spencer, Amrita@Coastal
Subject: FW: Public Comment on May 2021 Agenda Item Wednesday 11b - Appeal No. A-5-LGB-21-0023 (Honarkar, Laguna Beach)

From: Paul Freeman [mailto:freeman.paul@me.com]
Sent: Monday, May 03, 2021 8:02 PM
To: SouthCoast@Coastal
Subject: Public Comment on May 2021 Agenda Item Wednesday 11b - Appeal No. A-5-LGB-21-0023 (Honarkar, Laguna Beach)

Below is my statement that essentially supports the staff recommendation. Thank you.

I am not an alarmist. I am sounding the alarm. Laguna Beach has allowed Mo Hanarkar to keep working on multiple properties, including obviously to intensify use. Maybe he has good ideas; I doubt it. That is not the point. His ongoing work has continued with no proper plans, permits, comprehensive program, or public input.

It gets worse. One example — some ground floor interior walls at Hotel Laguna are gone. Actually knowledgeable people are concerned. The city manager assures us, staff is working with the applicant to obtain after-the-fact permits. Commendations!

The community development director says the applicant will pay double the usual price for his after-the-fact permits. That is a bargain at any price for Mo, to have avoided any public notice or public input, or any real-time and careful city scrutiny.

Hopefully, there is no higher price to be paid, that is, by the public. Clearly the City by its actions and inaction has enabled Mo to jeopardize prospects for the National Register, which has commercial value and is public insurance for a righteous restoration. We can hope Mo has not jeopardized the hotel's structural integrity.

The first order of business is to shut Mo down. There is a California Coastal Commission hearing next Wednesday. The staff recommendation is to do what the City should have done, not merely along the Coast but everywhere: shut Mo down.

The second order of business is for the City to retain outside forensic resources to inspect every one of Mo's properties. The City should do this and bill Mo for the privilege; it does not matter whether this becomes merely another of Mo's unpaid bills, as the public has the right to know the full extent of the damage he has done.

There is no reason to trust that city managers and leaders have the capacity to do what needs to be done. City officials were provided with evidence to support all the claims made above. After many weeks of waiting, after the obligatory zoom meeting and a series of redundant discussions and messages, they have done next to nothing.

Small fries in Laguna can be put through the ringer while big dogs sometimes get to run wild. This is what frosts me the most. But even more generally, like cases are not treated alike, which is the single best measure of an equitable process.

I know of a homeowner with a project devoid of variances asked to do an EIR. I know of an expanded commercial use in sensitive habitat that somehow needed no EIR. I know of one old hotel with proposed expansion of food and beverage uses that needed many public hearings. I know of another hotel with non-permitted expansion of food and beverage uses that has circumvented any public process, namely Hotel Laguna.

Evidence supporting my claims, because it was presented to city officials, is now obtainable public information. There are digital files that allow for 360 degree views from discrete points inside structures. These files, viewed alongside photographs that were also provided, show that Mo may have fraudulently misrepresented non-permitted changes made recently to be “as-builts” in seeking permits for more new work.

Evidence additionally shows that work done subsequent to the issuance of certain permits goes well beyond what is allowed by those permits. Evidence shows that Mo has illegally moved certain physical structures oceanward of the hotel.

Hotel Laguna is in the downtown specific plan area where all projects must go to planning. Yet consider the additional following particulars describing recent work at the hotel. The ground floor bar room was made larger by removing an interior wall. The main level bar service area was enlarged and reconstructed to expand service to the outdoor patio. A room once used for community meetings has been converted to a sushi bar. The sushi kitchen was built in an old storage area. The room in the basement once used for small gatherings has been converted into a beach bar to serve guests of a private beach club and also the beach-going public. Floor sinks and plumbing have been installed to accommodate another full service bar. The main level offices and retail spaces have been demolished. For what? Who knows.

Early on, for roughly three months, I was on what Mo called his “dream team” that became a nightmare when he refused anyone’s advice, on anything. But this is not sour grapes — it is an understatement. In retrospect, perhaps I was unduly romantic about the prospects when, with Mo’s blessing, I pledged projects free of variances; pledged Hotel Laguna would be placed on the National Register; pledged extending Main Beach Park up to Legion; pledged that projects would be LEED-certified, a measure of sustainability.

Shame on Mo for the misdirection play. Shame on me for buying into it, for a while. Shame on the public for focusing mostly on what they do not want and, per usual, precious little on what they do want. Shame on the City for getting played by Mo and in the process effectively betraying the public trust.

I no longer reside in Laguna. I still care about it. In any case I no longer in good conscience could sit idly by and watch this clown show continue. Now I can only hope, with the benefit of more public awareness, that Mo gets shut down for good, city managers and leaders are held to account, and bad does not get any worse.

Paul Freeman served two terms on City Council, twice serving as mayor.

Paul Freeman | (949) 351-9500



CITY OF LAGUNA BEACH

May 5, 2021

SENT VIA EMAIL

Mo Honarkar
8871 Research Drive
Irvine, CA 92681

**SUBJECT: HOTEL LAGUNA PROJECT
425 SOUTH COAST HIGHWAY
ISSUANCE OF STOP-WORK ORDER**

Dear Mr. Honarkar:

This letter is to inform you that today the City has issued a stop-work order for your project located at 425 South Coast Highway (Hotel Laguna). Last Thursday when the Building Official and I met with you at the project site, it was discovered that you had recently done work to the exterior without the benefit of a permit. The work included pouring a concrete patio and stairs, reinforcing unpermitted retaining walls with concrete, backfilling a portion of the property with several cubic yards of dirt to level out the grade, and installing a new drainage system. The area where the recent unpermitted work occurred is the subject of a previous stop-work order; and while an application for the issuance of coastal development permit is pending, no permit has been approved to date. On Friday, April 16, 2021, the Building Official and I met with you on site and noticed that you had constructed forms with the intent to pour concrete. During that site visit, you were specifically instructed not to pour the concrete, which instruction was repeated in a letter sent to you the following Monday (see attached). Notwithstanding the explicit direction given to you on site and the subsequent written reinforcement of the message, you proceeded to pour the unpermitted concrete anyway.

It has always been our intent to work with you in a collaborative manner on this project. Indeed, that is our desire with all project applicants. However, the continued pattern of working on this project without permits is disappointing and cannot be countenanced or ignored. Last year, for example, between June 9th and August 7th, three stop-work orders were issued for this project. Extensive work had occurred to the interior and the exterior of the building without permits. Hotel Laguna is a historic landmark and an important asset to this community. It is critical that all work is done in the correct manner and in accordance with the applicable regulations so that the historic asset is protected and all legal mandates are respected. As stated in the warning letter sent to you on August 17, 2020, after the third stop-work order, any future stop-work orders would result in more severe penalties. As such, the City will now be issuing a citation for the most recent unpermitted work and will also be contacting the Contractors State License Board to notify them of the continued work being done at the site without permits.

Despite the recent issues, we acknowledge that you have made some effort to work with us on obtaining permits. The project was halted from July to December 2020, during which you worked with the City on the processing and issuance of after-the-fact permits. While you have provided project plans depicting some of the unpermitted work, more information is still needed. Not all the modifications to the building are correctly shown on the plans that you submitted. The Building Official will require that you remove drywall and expose certain areas of the building so that he can inspect the plumbing and electrical work that was performed last summer.

This project has not adhered to the typical process because so much work has occurred without permits. Normally, one would first obtain the necessary discretionary land use entitlements, such as a design review permit, use permit, and/or coastal development permit, prior to issuance of the building permit and onset of construction. However, in this case you performed the work without the benefit of the appropriate land use entitlements, and you have not made it clear to the City what the entirety of the intended uses are for the site. As I requested when we first met last summer, you must provide the City with a comprehensive plan for Hotel Laguna project. Such a plan must include a schedule and description of the future work that is proposed. You must also provide a summary of the intended use of the lower-level spaces, including the conference room, as well as the commercial spaces fronting Coast Highway, all of which are under construction. Staff will then evaluate the proposed uses and determine if use permits and/or coastal development permits are necessary.

Please understand that we are supportive of the end-goal of restoring Hotel Laguna and it is our intent to continue working with you on the project in a professional and productive manner. At the same time, you will be expected to faithfully follow all of the procedures and requirements applicable to the project. For the stop-work order issued today to be lifted, you must first obtain the necessary entitlements and provide the City with the requested information. In the meantime, staff will be making daily visits to the project site to ensure that no work is occurring. The staff time for this effort will be reimbursed from your deposit account.

Thank you for your attention to this matter.

Sincerely,

Marc Wiener

Marc Wiener, AICP
Community Development Director

Encl: Enforcement Letter (4/19/21)

cc: John Pietig, City Manager
Shohreh Dupuis, Assistant City Manager
Phil Kohn, City Attorney
Dennis Bogle, Building Official
So Kim, Assistant Director



CITY OF LAGUNA BEACH

April 19, 2021

SENT VIA EMAIL

Mo Honarkar
8871 Research Drive
Irvine, CA 92681

SUBJECT: HOTEL LAGUNA PROJECT 425 SOUTH COAST HIGHWAY

Dear Mr. Honarkar:

Thank you for meeting with Dennis Bogle and I at Hotel Laguna last Friday to inspect the construction and to discuss the project. The following is a summary of the topics that we discussed during the meeting:

- When we arrived at the site you were preparing to pour concrete on the outside of the hotel in the area adjacent to the lounge (now sushi bar). You do not have a permit to pour concrete in this area and must refrain from doing so at this time. As we have previously conveyed to you, any exterior work to the site requires a Coastal Development Permit.
- During our inspection it was apparent that you intend to construct a kitchen in the area in the space behind the lower-level conference space. Gas lines that were installed (see enclosed photos), which appear to be for the purpose of supplying a cooking range. This was not shown on the approved plans, and as such, no work is to be done in this area until the proposed improvements have been permitted. You will need to open the walls in this area for an inspection of the gas lines. Dennis Bogle will coordinate with you on this. Additionally, you must provide the City with a description of the proposed use of the conference room and associated kitchen.
- You merged the commercial spaces facing Coast Highway into one large space by removing dividing walls (without a permit). While you have indicated that you are creating a single large gallery, the City has nothing in writing indicating what the intended use of the modified space is going to be. You also indicated the intent to convert the space north of the lobby into a new bar, which would require a use permit. You must provide the City with a description of the proposed use of these spaces.
- You recently applied to power wash the building. During our conversation, you mentioned that this would entail repainting the building, removing/replacing awnings, and repairing the plaster exterior. You were hoping that we would issue the permit so that you can begin

work prior to the summer. We notified you that repairing the outside to this extent would likely need to go through historic review process.

This project has not followed the normal procedures. Typically, you would first obtain a use permit for the intended uses, and then once approved, would move on to applying for a building permit. However, in this case you performed the work first without the benefit of a use permit and have not made it clear to the City what new uses are going to be. We are also concerned with the piecemeal approach that you are taking to this project, as evident by the recent application to now repaint and repair the exterior of the building.

As I requested when we first met last summer, you must provide the City with a comprehensive plan for Hotel Laguna. The plan shall include a schedule and description of the future work that is proposed. You must also provide a summary of the intended use of the lower-level spaces, including the conference and proposed new kitchen, as well as the commercial spaces fronting Coast Highway. Staff will evaluate the proposed uses and determine if use permits and/or Coastal Development Permits are necessary. Please submit this plan by April 26, 2021.

We look forward to meeting with you this Wednesday to review this letter and discuss next steps.

Regards,

Marc Wiener

Marc Wiener, AICP
Community Development Director

cc: John Pietig, City Manager
Dennis Bogle, Building Official
So Kim, Assistant Director

Encl: Photos of Gas Line



New gas line and valves in proposed kitchen area (Photo taken 4/16/21)

Laguna Beach Historic Preservation Coalition

31423 Coast Highway #28
Laguna Beach, CA 92651
(949) 424-5228 lagunabeachhpc@gmail.com

May 6, 2021

RE: Appeal No. A-5-LGB-21-0023 (Honarkar, Laguna Beach)

Dear Members of the California Coastal Commission:

We write to ask for your finding that a substantial issue is present and that you grant the appeal of the Coastal Development Permit (CDP) approval for the Hotel Laguna as recommended by Commission staff.

We are dismayed by Laguna Beach's deficient handling of the CDP and other approvals and its environmental review at this sensitive, National Register-eligible oceanfront property, a landmark among Laguna landmarks.

We agree with staff's analysis of the problems/concerns regarding the project.

We also ask that because Laguna has been so ineffective in preventing unpermitted work at this historic property (and inadequately reviewed the potential adverse impacts to it) that you take whatever measures in your power to ensure that all work stops immediately.

We further want to provide one correction: the approval was not heard by the Design Review Board on February 25, 2021. It was handled through the City's newly implemented Administrative Design Review process. There were no staff reports provided and no video of the meeting.

Thank you for your consideration.

Sincerely,



Catherine Jurca
for the Laguna Beach Historic Preservation Coalition