



# County of Monterey Planning Commission

## Item No.4

### Agenda Item No. 4

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

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January 25, 2023

**Introduced:** 1/17/2023

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Planning Item

#### **PLN100338 - SIGNAL HILL LLC**

Public hearing to consider demolition of a 4,124 square foot single family residence and the construction of a new three level 11,933 square foot single family residence including an attached three-car garage, a 986 square foot entry court, 106 square feet of uncovered terraces, approximately 2,600 square feet of covered terraces, new driveway, and approximately 2,040 cubic yards of grading (1,210 cubic yards cut/830 cubic yards fill) and restoration of approximately 1.67 acre of native dune habitat; The project, Alternative 9 of the Environmental Impact Report, includes development on a ridgeline, on slopes exceeding 30 percent, within 100 feet of environmentally sensitive habitat area, and within 750 feet of a known archeological resources, removal of three Monterey Cypress trees, and demolition of a listed historic resource.

**Project Location:** 1170 Signal Hill Road, Pebble Beach, Del Monte Forest Area Land Use Plan, Coastal Zone

**Proposed CEQA Action:** Certify an Environmental Impact Report and adopt CEQA Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Plan.

#### RECOMMENDATION:

It is recommended that the Planning Commission:

- a. Certify the Signal Hill LLC Environmental Impact Report (SCH#: 2015021054);
- b. Adopt a Statement of Overriding Considerations;
- c. Approve a Combined Development Permit for the “Reduced Height Project” (Alternative 9 of the Final EIR) consisting of:
  - (1) A Coastal Administrative Permit and Design Approval to allow the demolition of an existing 4,124 square foot single family residence and the construction of a new three level 11,933 square foot single family residence including an attached three-car garage, a 986 square foot entry court, 106 square feet of uncovered terraces, approximately 2,600 square feet of covered terraces, new driveway, and approximately 1,700 cubic yards of grading (1,200 cubic yards cut/500 cubic yards fill) and restoration of approximately 1.67 acre of native dune habitat;
  - (2) A Coastal Development Permit to allow development within 100 feet of environmentally sensitive habitat;
  - (3) A Coastal Development Permit for development on slopes exceeding 30 percent;
  - (4) A Coastal Development Permit for development within 750 feet of a known archeological resources;
  - (5) A Coastal Development Permit for Ridgeline Development; and
  - (6) A Coastal Development Permit for removal of three Monterey Cypress trees.

d. Adopt a Mitigation Monitoring and Reporting Plan (MMRP).

A draft resolution, including findings and evidence, is attached for consideration (**Exhibit B**). Staff recommends approval subject to 43 conditions, including 33 mitigation measures taken directly from the Final Environmental Impact Report and one tree replacement mitigation measure which was strengthened as discussed in more detail in the Discussion section, **Exhibit A**.

PROJECT INFORMATION:

**Property Owner:** Massy Mehdipour

**Agent:** None

**APN:** 008-261-007-000

**Zoning:** Low Density Residential, 1.5 acres per unit with Design Control Overlay (Coastal Zone)

**Flagged and Staked:** Photographic simulations in EIR

SUMMARY:

The Mehdipour property is located at 1170 Signal Hill Road, Pebble Beach. The 2.2-acre property is zoned for low density single-family residential uses in the Coastal Zone. This project involves the demolition of an existing 4,124 square foot single family dwelling and construction of a nearly 12,000 square foot single family dwelling in its place. During staff's review of this project, it identified potentially significant impacts to historic resources, biological resources, visual resources, archaeological resources, and development on slopes. An Environmental Impact Report (EIR) was prepared for the project. The EIR identified significant unmitigable impacts on a historic resource, the Richard Neutra designed Connell house.

The site is developed with a dwelling that was designed by architect Richard Neutra for Arthur and Kathleen Connell. Owner, Massy Mehdipour, purchased the property in 2004, and, in 2010, applied for entitlements to demolish and rebuild the house w. A nomination for listing on the National register was filed with the State Office of Historic Preservation and the house was found eligible for listing as a historic resource at the State and National levels on April 22, 2014. At the time, the house was showing signs of deterioration and decay from time and the elements. Subsequently, the house was damaged when an unknown party cut the studs on supporting walls of the house. The County required the applicant to institute temporary shoring of the damaged walls and mothballing to prevent further deterioration. The current application proposes demolition of the existing house, which the EIR determined would be a significant impact to an historic resource. After considering numerous Alternatives, the EIR concluded that preservation of the historic structure (which is actually a combination of restoration, rehabilitation, and reconstruction pursuant to the Secretary of the Interior's Standards for the Treatment of Historic Properties) is the "Environmentally Superior Alternative," as it would avoid significant impacts to the historic resources.

When the Notice of Preparation of the EIR was filed in 2015, integrity of the historic resource had already been impacted. The house is currently uninhabitable and has been deemed hazardous by the Building Official. The current condition of the home makes it difficult to either restore or preserve its historic significance because substantial repairs and partial reconstruction would be required, indeed, such an effort would be comparable to reconstruction. This situation, combined with the applicants' desires and objectives for the property, make for complicated legal, social, economic, and technical

considerations in deciding how to carry out this project. Staff suggests that while the “Preservation” alternative in the EIR appears to be the environmentally superior alternative, the property owner has clearly expressed that they will not actually implement this alternative. Should the County approve a project that does not involve demolition of the existing structure, it is likely that the near-term impacts would be similar to the “No Project” alternative, which would include continuation of a hazardous structure in a state of disrepair. Potential long-term impacts may include additional deterioration of the resources due to decay from age and elements. Given the realistic outcome of a decision to preserve the existing structure, staff recommends approval of the demolition of the existing structure and construction of a new structure that has been designed by another notable architect, Ricardo Legorreta. The outcome of the recommended decision will be construction of a handsome new dwelling in a location that is known for, and surrounded by, large custom homes.

The EIR has proposed mitigation that would reduce impacts to the historic resource by requiring appropriate documentation and memorialization of the Connell House. These mitigations would not reduce the impacts of the project on a historical resource to a level of insignificance, so project approval would require the Planning Commission to adopt a Statement of Overriding Considerations under CEQA. These considerations can be comprised of, among other things, those described above (social, economic, technical, and legal), including likely outcomes of the decision on the project. Additionally, alternatives requiring preservation will leave the property owner with an undesired and expensive outcome (restoration and partial reconstruction of the home), and approval of a new home will increase property tax revenues to the County that help pay for public services.

Other than historic resource impacts, the EIR also identified potential impacts to sensitive biological habitats (coastal dunes), visual/aesthetics, tribal cultural resources, and development on slopes. Mitigation measures have been identified and agreed upon that reduce these impacts to a less than significant level. All these topics are discussed in more detail in the Discussion section, **Exhibit A**.

After review of the project and consideration of the various impacts, EIR-analyzed project alternatives, and potential outcomes, staff recommends the Reduced Height alternative (Alternative 9), discussed and analyzed in the Final EIR. The Reduced Height alternative would allow demolition of the existing structure and construction of the proposed dwelling with a reduced height, which would mitigate the project’s visual impacts. As discussed in Exhibit A, staff recommends that the Planning Commission allow staff discretion for total height of the project during construction permit review. Additionally, the Reduced Height alternative, as mitigated, can be found consistent with the Coastal Zoning (Title 20), the Del Monte Area Land Use Plan (LUP), and the Coastal Implementation Plan (Part 5).

This matter was originally scheduled for consideration by the Planning Commission on December 7, 2022. Prior to that date, staff received several comment letters, which it distributed to the Planning Commission in advance of the meeting. One such comment was a request by a neighbor’s attorney, Anthony Lombardo, to continue the hearing to January 25, 2023. Several other commenters requested that the project be referred to the Historic Resources Review Board (HRRB) for its review and recommendation on the Commission’s treatment of the historic resource, prior to Planning Commission consideration. The Commission continued the matter to January 25, 2023.

At their December 1, 2022 hearing, the HRRB requested that the Signal Hill LLC project be added to their January 5, 2023 agenda for a review and recommendation. There was not a quorum on the 5th, so the project was scheduled for a special meeting the following week. On January 12, 2023, the HRRB heard the matter and voted 3 ayes and 1 no with 1 abstaining, 2 recused due to conflicts to recommend that the Planning Commission approve the Reduced Height Alternative, Alternative 9 of the EIR. The recommendation of the HRRB is attached as **Exhibit F**.

Comments received after the December 7, 2022 Planning Commission hearing are attached as **Exhibit E**.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Pursuant to Public Resources Code Section 21083 and CEQA Guidelines Sections 15081, 15161, and 15200 *et seq.*, Monterey County as Lead Agency prepared an Environmental Impact Report (EIR) for this project. The Draft EIR was circulated for public review and comment from August 24 to October 12, 2018 (SCH No. 2015021054). A public scoping meeting was held on February 23, 2015, at the Pebble Beach Community Services District Office at 3101 Forest Lake Road, Pebble Beach. The EIR identified potentially significant impacts to Aesthetics, Archaeological Resources, Air Quality and Greenhouse Gases, Biological Resources, Geology, Seismicity, and Soils, Hazards and Hazardous Materials, Historic Resources, Hydrology and Water Quality, and Noise. The EIR proposed mitigation measures to reduce all but one of the identified impacts to a level of less-than-significant. Demolition of the existing historic house is a potentially significant impact to Historic Resources, pursuant to California Environmental Quality Act (CEQA) Guideline Section 15064.5(b). Mitigation measures have been identified which reduce some of these impacts, but not to a level of insignificance; therefore, these impacts are significant and unavoidable and cannot be mitigated to a less-than-significant level. To approve the project despite the significant impact, the Planning Commission will need to consider overriding benefits of approving the project that outweigh its significant effects. As presented in the draft resolution provided by staff, possible overriding considerations might include:

- Physical considerations, including the substandard conditions of the existing structure;
- Ecological considerations, including restoration and preservation of 1.67 acres of native sand dune habitat;
- Social considerations, including the applicants' project objectives and the treatment of other properties in the vicinity;
- Economic considerations, including temporary construction jobs and foreseeable increases in property tax revenue to the County

These considerations are described in more detail in the attached draft resolution (**Exhibit B**).

During public review of the Draft EIR, the County received comments from three agencies, the Governor's Office of Planning and Research (standard reply), the California Coastal Commission, and the Monterey Bay Air Resources District. Eight organizations commented on the Draft EIR, all of which were architectural and historical organizations except for one, Pacific Legal Foundation, a property owner rights organization. The public submitted 129 comment letters. County staff reviewed these comments. Detailed responses to the CEQA comments are included in the Final EIR prepared

for the project (**Exhibit D**).

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

Environmental Health Bureau  
Environmental Services  
Engineering Services  
Cypress Fire Protection District  
County Counsel  
Monterey Peninsula Water Management District  
California Air Resources Board  
California Coastal Commission

LUAC:

The proposed project was reviewed or continued by the Del Monte Forest Land Use Advisory Committee (LUAC) on several occasions between December of 2010 and November of 2011. At a duly-noticed public meeting on November 11, 2011, at which all persons had the opportunity to be heard, the LUAC voted 3 in favor - 3 against in the recommendation to the Planning Commission to support the project as proposed. Although not written in the recommendation section of the LUAC minutes, one LUAC member appears to have abstained, as they expressed in the discussion that they were a neighbor. Extensive public comments were split on the project. (**Exhibit G**).

Prepared by: Mary Israel, Supervising Planner, x5183  
Reviewed by: Craig Spencer HCD Chief of Planning  
Approved by: Erik Lundquist, AICP, HCD Director

The following attachments are on file with the HCD:

- Exhibit A - Discussion
- Exhibit B - Draft Resolution, including:
  - Conditions of Approval & Mitigation Monitoring and Reporting Plan
  - Project Plans
- Exhibit C - Vicinity Map
- Exhibit D - Final EIR (linked material on the County HCD website)
- Exhibit E - Correspondence received since the December 7th meeting
- Exhibit F - Historical Resources Review Board recommendation
- Exhibit G -LUAC minutes for November 17, 2011

Copies of the FEIR were distributed separately and are available for review on the County's public website at the following link:

<https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/library-current-major-projects/signal-hill-llc-mehdipour>

cc: Front Counter Copy; California Coastal Commission; Erik Lundquist, AICP, HCD Director, Craig Spencer, HCD Chief of Planning; Mary Israel, Project Planner; Engineering Services; Environmental

Health Bureau; Environmental Services; Cypress Fire Protection District; Massy Mehdipour,  
Applicant/Owner; The Open Monterey Project (Molly Erickson); LandWatch (Director);  
INTERESTED PARTIES; Project File PLN100338