

Exhibit B

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DISCUSSION

History:

This 54-acre vacant parcel was created through a lot line adjustment (PLN100493 & CC120003). Prior to this lot line adjustment, in 2008 the Applicant donated an Open Space and Conservation Easement which extinguished development rights associated with a 42 acre coastal bluff parcel. Then in 2010 and prior to approval of the lot line adjustment, the Applicant donated a second Open Space and Conservation over the remainder of the former 392 acre Harlan Ranch which extinguished development rights associated with one of the ranch's legal parcels of record and limited all future residential development to 5 discrete building envelopes, of which two were already developed. This 54-acre vacant parcel has one of the smallest of these building envelopes at 1.90 acres.

Surrounding Land Uses:

The project is located at 62200 Highway 1 in Big Sur, a mile north of Lucia Lodge on the landward edge of a large coastal terrace seaward of Highway at Lopez Point. The site is situated downslope from Highway 1. Topographically, the east side of the property is bordered by the toe of a coastal mountainside that ascends back up to Highway 1 and beyond. The terrace itself slopes gently west (seaward) toward the bluff and is perched approximately 100 feet above the rocky shoreline. An existing ranch access road through the coastal terrace leads to the development envelope. The development envelope lies within a terrace that was historically grazed by cattle for the past 100+ years. The current land management practice on the terrace includes annual tractor mowing. Vegetation consists of coastal scrub and two clusters of Monterey cypress trees are located on the north end and south end of the development envelope.

Current Proposal:

The project consists of the construction of a two story single family dwelling with an attached garage and mechanical room, and a detached pre-fabricated accessory dwelling unit and mechanical room for an onsite caretaker. Grading will consist of 4,100 cubic yards of cut and 4,100 cubic yards of fill to be balanced on site. The project will be served by an onsite septic system for each structure, well, underground water tank, and solar photovoltaic system. The project is requesting the following entitlements:

Combined Development Permit, including:

1. Coastal Administrative Permit and Design Approval to construct an 8,135 square foot two-story single family dwelling with attached 838 square foot garage and 571 square foot mechanical room; grading of approximately 1,100 cubic yards of cut/1,100 cubic yards of fill to be balanced on site, removal of 12 planted (non-native) cypress trees (ranging between 7" and 13" in diameter); underground water tank, underground propane tank, 3,000 gallon septic tank and leach field system, and a roof-mounted photovoltaic system;
2. Coastal Administrative Permit and Design Approval for an 813 square foot detached Accessory Dwelling Unit with attached 25 square foot mechanical room; grading of approximately 300 cubic yards of cut/300 cubic yards of fill, 1,500 gallon septic tank and leach field system and retaining wall;

3. Coastal Administrative Permit converting an existing test well (PLN130057) to a permanent well serving two units;
4. Coastal Development Permit for development with a positive archaeological report; and
5. Coastal Development Permit for development within 100 feet of Environmentally Sensitive Habitat Area (ESHA); and
6. Design Approval to allow installation of a ground-mounted photovoltaic system.

Project Issues:

Grading - Original grading for the entire project was proposed at 4,100 cubic yards of cut and 4,100 cubic yards of fill to be balanced on site. The grading for the road was calculated based on the original proposal of a 12 foot wide road, 8 inches deep and topped with gravel. However, since the grading plans were prepared, impacts to the road have been reduced based on the Coastal Commission's recommendation. It is now a two-track road which will require much less grading. Most of the grading is required for the main structure and the accessory structure to site the structures up against the coastal hillside below Highway 1 and out of the critical viewshed. A retaining wall is proposed behind the accessory dwelling unit to provide for better stability, as there is more of a slope behind it than for the main structure. The rear and side walls of the main structure consist of a board formed concrete wall that will provide retention of the slope without requiring additional retaining walls. There is an existing culvert on the ranch road that will be used for truck access during the house construction project. This culvert is bridged by deteriorating wooden planks and is inadequate for the weight of the trucks needed for the project, and will be replaced with a concrete structure that will allow large trucks access to the job site. The culvert replacement does not affect any resources on site nor is it located within the critical viewshed. Best Management Practices for construction and grading activities include wetting exposed soil to minimize the potential for dirt to become airborne through wind erosion or vehicle disturbance and replanting and stabilizing graded areas as soon as possible.

Tree Removal: Pursuant to Big Sur Coast Land Use Plan (BSCLUP), CIP Section 20.145.060 Forest Resources Development Standards, a Coastal Development Permit is not required for the removal of non-native or planted trees, except where this would result in the exposure of structures in the critical viewshed. According to the Tree Assessment prepared by Fred Ballerini, tree species within the building envelope are limited to two small stands (north and south stands) of previously planted, similarly aged Monterey cypress trees. To accommodate the proposed development, the removal of twelve Monterey cypress trees ranging in size from 7 to 13-inches in diameter will be required. Trees not proposed for removal along the north grove are positioned to screen the proposed residence and garage from Highway 1 views. The removal of the twelve trees on the northern grove would allow the residential structure to transition into the hillside, create a fire truck turnaround, and preserve protection of the critical viewshed. Protective fencing will be required as a condition of approval as a safety precaution to prevent compaction, root damage or other inadvertent impacts. Removal of two of the 12 trees allows for a better public viewshed to the ocean. The planted Monterey cypress trees along the coastal terrace, are not a native species in the environmental or region and not protected.

Archaeology: - The project site is located within a high archaeological sensitivity zone. Any development proposed with a positive archaeological report is nonexempt development and

requires a Coastal Development Permit (MCC, Section 20.17.020 of Title 20). Archaeological Consulting prepared a Preliminary Archaeological Reconnaissance for the project site in April 2013 along with an updated letter report in May 2015. The 2013 report identified that a prehistoric archaeological site CA-MNT-621 was recorded on the project parcel in 1973. Areas of midden associated with CA-MNT-621 were noted in exposed soil along the upper part of the ranch access road. However, the cultural materials thinned and finally disappeared as the road proceeded down the gentle slope of the bench to the southeast. BSCLUP Policy 3.11.2.2 states when development is proposed for parcels where archaeological or other cultural sites are located, project design shall be required which avoids or substantially minimizes impacts to such sites. The relocation of the existing driveway is intended to avoid further vehicular traffic through this site.

Pursuant to Public Resources Code Section 21080.3.1 *et seq.*, the County shall request a consultation of the project's potential impact on tribal cultural resources prior to the release of a negative declaration, mitigated negative declaration or environmental impact report for a project. On January 10, 2017, formal notification was sent to the Ohlone/Costanoan-Esselen Nation (OCEN) notifying them of the County's intent to circulate a CEQA document and giving them the opportunity to request additional mitigation measures within the document. The tribe commented, should the County move forward on this project, the tribal representatives formally request that they be present onsite during any construction activities. The proposed house footprint is located some distance from the archeological site. The well site is also outside of the archeological site boundary. However, because a major undisturbed archaeological site is near the well and construction area, mitigation measures are required to reduce any impacts to archaeological resources. These measures include preconstruction training between applicant, archaeologist, OCEN monitor and the contractor, onsite monitoring during soil disturbing activities and protection of the site with exclusionary fencing set into place at the direction of the project archaeologist and OCEN monitor.

ESHA: - Development within 100 feet of mapped or field identified environmentally sensitive habitats is nonexempt development and requires a Coastal Development Permit (MCC, Section 20.17.020 of Title 20). On May 7, 2015, a Biological Assessment prepared by Fred Ballerini identified two Northern Coastal Scrub species outside of the development envelope but within 100 feet of the development area: Monterey Coast paintbrush and seacliff buckwheat. Monterey Coast paintbrush is a recognized sensitive limited distribution plant by the California Native Plant Society. Seacliff buckwheat supports potential habitat for the Federally Endangered Smith's blue butterfly and would require protection measures to eliminate possible impacts to this sensitive resource. Therefore, mitigation measures have been implemented to install temporary construction fencing at the construction perimeter along the western edge of the project to prevent unwarranted impacts within the outer sensitive Northern Coastal Scrub habitat along the cliff edge.

Critical Viewshed – The critical viewshed is described in the Big Sur Coast Land Use Plan (BSCLUP) as everything within sight of Highway 1 and major public viewing areas including turnouts, beaches, and specific locations (Policy 3.2.2.1). Most of the project parcel's 54 acres are visible from Highway 1.

BSCLUP Policy 3.2.3.A.2 requires that best available planning techniques shall be used to permit development of parcels partially in the critical viewshed. These may include clustering of structures, sensitive site design, design control, transfer of development credits, and other techniques designed to allow development on such parcels outside the critical viewshed. In addition, BSCLUP Policy 3.2.3.B.1 requires that all development applications shall require individual onsite investigations to determine whether they would intrude on the critical viewshed. The proposed buildings shall be accurately indicated as to dimensions, height, and rooflines by poles and access roads, by stakes with flags which shall remain in place for the duration of the project review and approval process.

The project site is west of Highway 1, a state scenic highway. The house and the accessory dwelling unit will be located approximately 100 feet downslope from Highway 1 benched into the toe of the hillside slope between two clusters of existing cypress trees. Both residences will be solar-powered by photovoltaic panels located on the slope above the house. Existing slopes and vegetation screen the panels from any public viewing area. The existing ranch road has been rerouted away from the bluff to avoid impacts to archeological resources and reduce the length of the driveway by 33% from the existing 3,088 feet to 2,026 feet. The new driveway has also been designed as double-tracked all season driveway surfaced with natural decomposed granite that blends into the coastal prairie vegetation.

The allowable height for main house is 24 feet above average natural grade. The proposed main house is only 13 feet and 2 inches above average natural grade. The prefabricated accessory unit is only 12 feet and 6 inches above average natural grade and is not visible from Highway 1. The allowable height for this residence is 15 feet. Existing topography and vegetative screening effectively screen the main house site and the accessory dwelling unit site from Highway 1. The staking and flagging of the project site demonstrate that a small portion of the roof of the main house would from a distance be visible from southbound Highway 1 between the hillside and existing cypress trees. However, the house has been designed with a green roof planted using a native plant palette. The construction of the house with the green roof will allow the roofline to blend in with the surrounding vegetation and “disappear” from public view.

The project incorporates a lighting plan to avoid light pollution from Highway 1. The new main house is sited behind and below existing cypress tree screening. In order to direct interior and exterior lighting away from Highway 1, windows and downlit exterior lights have been strategically-located away from the highway. Due to the topography of Lopez Point, no neighbors will be impacted by light from the proposed residences. Therefore, staff has determined the project is consistent with the critical viewshed policies.

Coastal Bluff): - Pursuant to BSCLUP Policy 3.7.3.A.9 and CIP Section 20.145.080.A.1.b.2 of the Coastal Implementation Plan, Part 3, “Regardless of a parcel’s seismic hazard zone, a geologic report shall also be required for any development project located within 660 feet of an active fault, or 50 feet of the face of a cliff or bluff, or within the area of a 20-degree angle above horizontal from the face of a cliff, whichever is greater.” The placement of the prefabricated accessory dwelling unit required the preparation of a Coastal Bluff Recession Study by Haro, Kasunich and Associates in January 2015. A Geotechnical Investigation and Septic Percolation Testing Report (Geotechnical Report) was prepared by Haro, Kasunich, and Associates in April

2015, because according to the County GIS, the property is located 2 miles from the Sur fault.

The Geotechnical Report found that the slope directly above the areas proposed for development are stable. Therefore, the project will not be located on a geologic unit or soil that is unstable and the risk for landslides is low.

The prefabricated accessory dwelling unit will be located 54 feet from the coastal bluff—closer to the coastal bluff than the main single family dwelling. The Coastal Bluff Recession Study concluded that the receding coastal bluff should not reach the foundation of the accessory dwelling unit during the next 50 years, the proposed location is adequate to ensure stability and structural integrity for at least 50 years and the proposed development will not contribute to instability of the land. A standard condition of approval will require that the recommendations of the technical reports prepared for the project be adhered to.

Design Approval: -

Pursuant to Chapter 20.44, Design Control Zoning District, the project requires design review of structures to make sure they are appropriate to assure protection of the public viewshed, neighborhood character and assure visual integrity. To ensure the main structure blends into the surrounding area and is visually consistent, colors and materials for the main house will be constructed with board-formed concrete walls, weathered steel, dark bronze aluminum doors and windows, Starfire glass & blackened steel railings, weathered cedar decking materials. The prefabricated accessory dwelling unit is the Flux Home built by USC Students as their entry into the EPA's 2013 Solar Decathlon. The unit will have dark bronze standing seam aluminum siding, dark bronze aluminum windows and doors.

Required planning techniques include clustering of structures, sensitive site design, and other techniques designed to allow development on such parcels outside the critical viewshed (Policy 3.2.A.2 BSLUP). The design guidelines within the Big Sur Land Use Plan are more for the protection of the critical viewshed than character neighborhood. Especially in this case, as there are no neighbors within sight of the parcel. Both structures have been designed to tuck into the hillside to remain out of the viewshed. The materials being used are of rustic and natural materials that are similar to the natural setting of the site and will blend into the hillside. Coastal scrub and Coastal prairie vegetative roofing materials are proposed for both structures, the same vegetation that is already out at the site. Skylight features will require low lighting and shading.

With a final proposed height of 12 feet and 2 inches for the main structure, and 12 feet and 6 inches for the accessory dwelling unit, the structures are appropriate for the site and assures visual integrity of the natural setting of the parcel. The proposed gravel driveway will use native soil colors to blend into the existing materials, screening it from any public viewshed. Existing Cypress trees will continue to grow and provide additional screening. The proposed project has been designed to be subordinate to the site and therefore is consistent with the Design Approval guidelines.

Big Sur LUAC: - On July 28, 2015, the South Coast Land Use Advisory Committee (LUAC) reviewed the proposed project and recommended approval (3-0 vote) with no comments. They were familiar with the site and were glad to see future development proposed.

CEQA: - A Draft Mitigated Negative Declaration (MND) was prepared in accordance with CEQA and circulated for public review from January 17, 2017 to February 17, 2017. Issues that were analyzed in the MND were Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology/Soils, Greenhouse Gas Emissions and Recreation. Potential impacts to biology and cultural resources were identified. Mitigation measures have been implemented to reduce the impacts to less than significant.

Two comments were received during the circulation of the MND. These comments do not change the analysis of the MND.

- 1) The California Coastal Commission had concerns with a portion of the main house and grading within the Critical Viewshed, coastal bluff setbacks and recreational access. There were several correspondences between Coastal staff, the County and the applicants. Briefly, these were the issues of concern:

House Flagging: The minute flagging visible from the Northern turnout (the only place any amount of flagging was visible) was allowable under the distant viewshed exemption and that under this exemption it was fine to take into consideration the following project conditions:

- Utilization of a green roof.
- Recognizing the existing Cypress trees will naturally continue to grow and probably already block the original flagging.
- The house will be lowered 12 inches through a condition of approval. The green roof is a positive project element.

Shortened Road: The Ranch's existing driveway will be shortened by 36% to support Archaeological Consulting's recommendation that the existing road avoid the archaeological site it currently crosses. Coastal Commission was fine with the driveway reduction, as the topography from the Northern turnout blocks most of its view. A condition requires the applicant to double track this access road and use a DG which matches the native soil and hills. This DG was presented and supported at the LUAC.

Bluff setback: The prefabricated accessory dwelling unit will be located 54 feet from the coastal bluff. The study confirms the receding coastal bluff should not reach the foundation of the accessory dwelling unit during the next 50 years. The Coastal Commission prefers a minimum of a 75 year setback. There is no annual receding setback requirement other than the 50 foot setback physical requirement in the BSCLUP. However, the ADU is a modular structure that can be moved if the need arises.

Public Access: In all the discussions for this Property since 2006, there was never any mention of requiring a 1+mile bluff access easement as part of any development approval. Such access doesn't meet the Priority 3 (lowest priority limits on procuring such access) limitations and there's no constitutionally required nexus or rough proportionality to require such access. Also, BSCLUP Policy 6.1.4.3 states "Access should be discouraged as inappropriate where it would be inconsistent with public safety, military security or the protection of fragile coastal resources..." The Glossary in the BSLUP defines fragile coastal resources to include significant archaeological resources which would likely be exposed to vandalism. Pre-historic

archaeological site CA-MNT-621 was recorded on the project parcel in 1973. Because of the location of the resources on the subject parcel, allowing bluff top access to the site could expose these resources to theft or vandalism.

2) The other comment was from Caltrans. They are looking for a sight/engineering plan that demonstrates there will be no sight distance problems. The plan, stamped by a licensed engineer, shall show the distance of the bend in Highway 1 in relation to the existing driveway that will be used to access the project. They have agreed to a Condition of Approval that will require submittal to Caltrans a site distance map prior to issuance of a grading and/or building permit.

Recommendation: The proposed project has been designed to meet the policies of the Big Sur Coast Land Use Plan and site development standards of the Watershed and Scenic Conservation Zoning District. The proposed project has been designed to be subordinate to the site and therefore is consistent with the Design Approval guidelines. The initial study addresses and analyzes potential impacts from the proposed development and where necessary, mitigates the impacts to less than significant. Therefore, staff recommends adoption of the MND and approval of the Combined Development Permit.

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