



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Planning & Development  
**Department No.:** 053  
**For Agenda Of:** July 11, 2023  
**Placement:** Departmental  
**Estimated Time:** 1.75 hrs.  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Lisa Plowman, Director, Planning and Development  
Director(s) (805) 568-2086  
Contact Info: Travis Seawards, Deputy Director, Planning and Development  
(805) 568-2518  
**SUBJECT:** Appeals of the Montecito Planning Commission Approval of the Coral Casino Amendment Project, Case Nos. 23APL-00015 through 23APL-00018, 23APL-00020, 22AMD-00000-00005, and 22CDP-00000-00079, First Supervisorial District

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence:

As to form: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

Staff recommends that your Board take the following actions to deny the appeals and uphold the Montecito Planning Commission's approval of the Project:

- a) Deny the appeals, Case Nos. 23APL-00015 through 23APL-00018 and 23APL-00020;
- b) Make the required findings for approval of the Project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, including CEQA findings;
- c) Approve the Addendum to the previously certified Environmental Impact Report, 04EIR-00000-00006, pursuant to State CEQA Guidelines Section 15164, and determine that as reflected in the CEQA findings, no subsequent environmental document is required for the Project; and
- d) Grant de novo approval of the Project, Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079, subject to the conditions of approval.

**Summary Text:**

Kim Seefeld, Suzanne Duca, Douglas Large, Lucinda Lester Owen, and Mark Trilling request a hearing to consider Case Nos. 23APL-00015 through 23APL-00018 and 23APL-00020, five appeals of the Montecito Planning Commission's decision to approve the Coral Casino Amendment Project (herein after Project), Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079. A detailed description of the Project is provided in Section A of this Board Agenda Letter, a site history and Project background is provided in Section B of this Board Agenda Letter, and the Appellants' appeal issues and staff's responses are discussed in Section C of this Board Agenda Letter.

Staff reviewed the appeals and finds the issues raised are without merit. As discussed in Section 6.2 of the Montecito Planning Commission Staff Report (Attachment 12), the Project was appropriately reviewed under CEQA, and as discussed in Sections 6.3 and 6.4 of the Montecito Planning Commission Staff Report, the Project is consistent with the Santa Barbara County Comprehensive Plan and applicable policies and standards set forth in the Coastal Zoning Ordinance. The information included in the administrative record, including this Board Agenda Letter, supports de novo approval of the Project.

Prior to docketing this Board Agenda Letter, the County conducted a facilitation with the Applicant and Appellants with the goal of narrowing or resolving the appeals. Subsequently, the parties have been working on a potential resolution, however, at the time of docketing, a resolution on proposed edits to the project description that is agreeable to all parties and the Department has not been finalized.

**A. Proposed Project**

The Project is a request for an Amendment to the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) and approval of an associated Coastal Development Permit to modify Condition Nos. 3 and 22 of the Development Plan conditions of approval, as detailed below. Condition No. 3 will be modified to reduce the maximum number of permitted Biltmore Hotel guestrooms/keys to 192. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide site/floor plans to Planning and Development for review and approval. The site/floor plans shall depict the layout of existing Biltmore Hotel guestrooms and the proposed reduction in guestrooms to 192. The reduction in the existing number of Biltmore Hotel guestrooms will be accomplished with only interior alterations to combine adjacent separate guestrooms into singular, larger guestrooms (including suites and junior suites). Condition No. 22 will be modified to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests, and eliminate the Coral Casino regular use allowance for registered overnight Biltmore Hotel guests. Prior to Coastal Development Permit issuance, the Owner/Applicant shall provide a revised Coral Casino site plan exhibit to Planning and Development for review and approval. The revised Coral Casino site plan exhibit shall depict the second floor restaurant area, including restrooms that serve the restaurant, as presented during the Montecito Planning Commission hearing of April 5, 2023. Additionally, use of the existing 2,050-sq. ft. event/meeting room at the Biltmore Hotel (currently identified as the La Marina banquet room) will be limited to non-dining entertainment and other activities for hotel guests only.

The Project does not involve any new structural development or exterior alterations to existing development, and no additional services or access will be required. The property will continue to be served by the Montecito Water District, the Montecito Sanitary District, and the Montecito Fire Protection

District. Access is provided from Channel Drive. The proposed project is located on a 19.28-acre property, zoned C-V and shown as Assessor's Parcel Numbers 009-352-009, 009-354-001, 009-351-012 and 009-353-015, located at 1260 and 1281 Channel Drive in the Coastal Zone of the Montecito Community Plan Area, First Supervisorial District.

Changes to 03DVP-00000-00002 Conditions of Approval (deleted text shown in strikethrough font and new text shown in underlined font):

3. *The number of guestrooms or keys shall not exceed ~~229~~192.*
  
22. *Coral Casino Conditions:*
  - a) *The Coral Casino shall remain a private club.*
  - b) *Guest membership shall be limited to:*
    - 1) *600 – permanent members*
    - 2) *~~50 – seasonal members, for guest of the Biltmore~~Deleted*
    - 3) *Up to ~~420~~60 members per month from reciprocal clubs located at least 75 miles away from the Coral Casino*
  - c) *With the exception of the 2<sup>nd</sup> floor restaurant, regular use of the facility shall be limited to club members and their guests, and registered overnight Biltmore Hotel guests only. Guests of registered Biltmore Hotel guests may also use the second story restaurant when accompanied by the registered hotel guest. Such regular use also includes guest privileges afforded to the general manager of the club, for business purposes incidental to the operation of the club. Outside groups may use the facility for special functions. The 2<sup>nd</sup> floor restaurant shall be available for club members and their guests, including 34 indoor seats reserved only for club members. In addition, the 2<sup>nd</sup> floor restaurant shall be available by reservation for up to 265 members of the public per day (for the purposes of this condition registered hotel guests are considered members of the public). Reservation data shall be maintained by the operator and provided to County Planning and Development staff, upon request.*
  - d) *No outdoor music after 10:00 p.m. except Friday, Saturday, Fiesta week, and holidays, when music shall cease at 12:00 midnight.*
  - e) *Activities at the Coral Casino shall be those normally associated with a social, swim, and tennis club.*
  - f) *Use of the restaurant roof sundeck shall only be during daylight hours, through sunset, and during night time hours not more than four times annually.*

### **B. Background**

The Biltmore Hotel has operated in its current location since 1927, prior to the establishment of Montecito zoning regulations, which went into effect under Ordinance 453 on March 19, 1930. On March 4, 1937, the Coral Casino was approved by the County Planning Commission under Conditional Use Permit (CUP) 37-CP-1. Since their establishment, various subsequent permits have been approved over the years to allow various improvements of the Biltmore Hotel and Coral Casino. The Biltmore Hotel and Coral Casino are currently operated in accordance with the Revised Development Plan, Case No. 03DVP-00000-00002, as amended by 05AMD-00000-00005, 07AMD-00000-00011, and 13AMD-00000-00005. A more detailed history of the Biltmore Hotel and Coral Casino is provided in Section 5.2 of the Montecito Planning Commission Staff Report (Attachment 12).

On July 19, 2022, the Applicant submitted an application for an Amendment (AMD) and Coastal Development Permit (CDP) for the Coral Casino Amendment Project in accordance with Section 35-

174.10.2 of the Article II Coastal Zoning Ordinance (Coastal Zoning Ordinance). Section 35-174.10.2 authorizes Amendments for changes to an approved Development Plan that are not in substantial conformity with the approved Development Plan, but are consistent with the findings previously made when the Development Plan was initially approved. The Project is a request for approval of an Amendment to the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) to modify Condition Nos. 3 and 22 of the Development Plan conditions of approval as follows:

- Condition No. 3 will be modified to reduce the maximum number of permitted Biltmore Hotel guestrooms/keys from 229 to 192.
- Condition No. 22 will be modified to allow limited public use of the existing second floor Coral Casino Restaurant, reduce the Coral Casino monthly membership allowance for members of reciprocal clubs, eliminate the Coral Casino seasonal membership allowance for Biltmore Hotel guests, and eliminate the Coral Casino regular use allowance for registered overnight Biltmore Hotel guests.

An Addendum to the previously certified Environmental Impact Report (04EIR-00000-00006) was prepared for the proposed Amendment in accordance with State CEQA Guidelines Section 15164 (Attachment 3). The Addendum analyzes the proposed Amendment as it relates to transportation and parking, air quality, and noise, and concludes that the proposed Amendment will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

A detailed analysis of the Project is provided in the Montecito Planning Commission Staff Report dated March 7, 2023 (Attachment 12), and in the Montecito Planning Commission Staff Memorandum dated March 31, 2023 (Attachment 11). The Montecito Planning Commission reviewed the Project in accordance with Section 35-174.10.2.c.1(d) of the Coastal Zoning Ordinance and Chapter 2, Section 2-29 of the Santa Barbara County Code, which state that the Zoning Administrator shall hold at least one noticed public hearing on the application for the Amendment, and that the Montecito Planning Commission shall assume the powers and duties of the Zoning Administrator within the Montecito Planning Area. On April 4, 2023, the Montecito Planning Commission made a minor addition to the Project Description (to identify the location of the restaurant restrooms) and approved the Project finding the proposed Amendment consistent with the findings previously made when the Revised Development Plan (03DVP-00000-00002) was initially approved (Attachment 10).

### **C. Appeal Issues and Staff Responses**

Between April 11, 2023, and April 17, 2023, Kim Seefeld (Appellant No. 1), Suzanne Duca (Appellant No. 2), Douglas Large (Appellant No. 3), Lucinda Lester Owen (Appellant No. 4), and Mark Trilling (Appellant No. 5) filed five timely appeals of the Montecito Planning Commission's approval, collectively citing five issues as the basis of the appeals (Attachments 5 through 9). Each appeal issue and staff's response are discussed in detail below.

#### ***Appeal Issue 1: Decision Violates Private Club Status of Coral Casino***

Appellant Nos. 1, 2, 3, 4, and 5 assert that approval of the Project violates the private club status of the Coral Casino without adequate protections for members in the future. Specifically, Appellant No. 3 states, that the *“proposed conditions of approval are inadequate to ensure (1) that Coral Casino members are*

*not defrauded by the Applicant, (2) that the Coral Casino becomes more private, not less, and (3) that Coral Casino member's rights are protected.”*

***Staff Response***

The Coastal Zoning Ordinance does not regulate the protections or rights of patrons of a private club, nor does it require that the Coral Casino be operated as a private facility. The Coral Casino is identified as a private facility in the Revised Development Plan (03DVP-00000-00002), and the Applicant submitted the appropriate application to request an Amendment of the Revised Development Plan in accordance with Section 35-174.10.2 of the Coastal Zoning Ordinance.

Section 35-174.10.2 of the Coastal Zoning Ordinance authorizes Amendments for changes to an approved Development Plan that are consistent with the findings previously made when the Development Plan was initially approved. Conditions of approval are applied to projects when necessary to ensure zoning code compliance, comprehensive plan consistency, or mitigation of a specific environmental impact. The Planning and Development Department does not have the discretion or capacity to enforce operational measures unrelated to zoning or environmental impacts. As discussed in detail in Section 6.2 of the Montecito Planning Commission Staff Report (Attachment 12), the Project was appropriately reviewed under CEQA, and will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Additionally, as discussed in Sections 6.3 and 6.4 of the Montecito Planning Commission Staff Report, the Project is consistent with the Santa Barbara County Comprehensive Plan and applicable policies and standards set forth in the Coastal Zoning Ordinance. Accordingly, on April 5, 2023, the Montecito Planning Commission approved the Project finding the proposed Amendment consistent with the findings previously made when the Revised Development Plan (03DVP-00000-00002) was initially approved (Attachment 10).

With approval of the Project, the second floor Coral Casino restaurant will become more accessible to members of the public, while the remainder of the Coral Casino facilities will become less accessible (more private), as proposed by the Applicant. Any claims related to defrauding Coral Casino club members (patrons of a private business) are a civil matter, outside the Planning and Development Department’s purview.

***Appeal Issue 2: Abuse of Discretion by Montecito Planning Commission***

Appellant Nos. 1, 3, 4, and 5 assert that approval of the Project by a three member commission without preparation or knowledge of facts and procedures constituted an abuse of discretion.

***Staff Response***

The Montecito Planning Commission Hearing of April 5, 2023, was appropriately conducted in accordance with the Montecito Planning Commission Procedures Manual. All hearing materials were provided to the Commission and the public one week in advance of the hearing pursuant to Government Code Section 65804. During the hearing, Commissioners asked informed questions of County staff and the Applicant, fully deliberated the Project, and spent a significant amount of time exploring concerns raised in public comment.

As provided in Article IV, Section 1 of the Montecito Planning Commission Procedures Manual, a majority of members who are qualified to vote shall constitute a quorum, and a majority vote of said

quorum shall decide. The Montecito Planning Commission approved the Project on April 5, 2023, by majority vote of two in favor and one opposed, with a quorum of three Commissioners.

***Appeal Issue 3: Lack of Fair and Impartial Hearing***

Appellant Nos. 1, 4, and 5 assert that the opposition were given inadequate time to address their issues.

***Staff Response***

The Montecito Planning Commission Hearing of April 5, 2023, was appropriately conducted in accordance with the Montecito Planning Commission Procedures Manual, and all members of the public were given equal opportunity to provide comment on the Project to the Montecito Planning Commission.

Both the Notice of Public Hearing and the Hearing Agenda identified multiple methods of providing public comment on the Project for distribution to the Montecito Planning Commission and inclusion in the administrative record. Methods of public comment included the ability to provide written comment prior to the hearing and the ability to provide verbal testimony during the hearing via in-person participation or participation via Zoom webinar. Article V, Section A-1 of the Montecito Planning Commission Procedures Manual states: “time limits on testimony may be established at the discretion of the Chair as necessary for the orderly and efficient conduct of the hearing.” During the hearing, each public commenter was allotted three minutes for verbal testimony. The Commission heard from every member of the public that requested to speak, no public commenter was cut off, and the Commission received approximately 20 minutes of public testimony.

***Appeal Issue 4: Inadequate Review***

Appellant Nos. 1 and 4 assert that the Applicant misstated the facts of the Project and that the Project impacts were not properly or fully presented.

***Staff Response***

The Appellants did not provide any information to indicate which facts of the Project were misrepresented or which impacts of the Project were inadequately addressed.

A detailed analysis of the Project was provided in the Montecito Planning Commission Staff Report dated March 7, 2023 (Attachment 12) and in the Montecito Planning Commission Staff Memorandum dated March 31, 2023 (Attachment 11). As discussed in Section 6.2 of the Montecito Planning Commission Staff Report, an Addendum to the previously certified Environmental Impact Report (04EIR-00000-00006) was prepared for the proposed Amendment in accordance with CEQA Guidelines §15164 (Attachment 3). The Addendum analyzes the proposed Amendment as it relates to transportation and parking, air quality, and noise, and concludes that the proposed Amendment will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Additionally, as discussed in Sections 6.3 and 6.4 of the Montecito Planning Commission Staff Report, the Project is consistent with the Santa Barbara County Comprehensive Plan and applicable policies and standards set forth in the Coastal Zoning Ordinance. The Montecito Planning Commission reviewed all information in the administrative record and approved the Project finding the proposed Amendment consistent with the findings previously made when the Revised Development Plan (03DVP-00000-00002) was initially approved.

***Appeal Issue 5: Improper Procedures***

Appellant No. 2 asserts that the Applicant “*tried to alter the CUP by a Director’s Consent without any noticing.*”

***Staff Response***

The Applicant submitted the appropriate application to request an Amendment of the Biltmore Hotel and Coral Casino Revised Development Plan (03DVP-00000-00002) in accordance with Section 35-174.10.2 of the Coastal Zoning Ordinance. Due to the Project’s location within the Coastal Zone, the Montecito Planning Commission was the decision-making body on the Amendment application (as opposed to the Department Director), and notice of the Montecito Planning Commission hearing was given in compliance with Section 35-181.2 of the Coastal Zoning Ordinance.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

Total costs for processing the appeals are approximately \$11,000 (40 hours of staff time). The costs for processing appeals are partially offset by a General Fund subsidy in Planning and Development’s adopted budget. Funding for processing this appeal is budgeted in the Planning and Development Permitting Budget Program, as shown on page D-398 of the County of Santa Barbara Fiscal Year (FY) 2022-23 adopted budget.

**Special Instructions:**

The Clerk of the Board shall publish a legal notice in the Montecito Journal at least 10 days prior to the hearing on July 11, 2023. The Clerk of the Board shall also fulfill mailed noticing requirements. A minute order of the hearing and copy of the notice and proof of publication shall be forwarded to the Planning and Development Department, attention: Alia Vosburg.

**Attachments:**

1. Findings:
  - 1-A. Findings for Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079
  - 1-B. Original Findings for the Revised Development Plan Case No. 03DVP-00000-00002
2. Conditions of Approval Case Nos. 22AMD-00000-00005 and 22CDP-00000-00079
3. EIR Addendum
4. County Counsel Facilitation Memorandum
5. Seefeld Appeal Application dated April 11, 2023
6. Duca Appeal Application dated April 11, 2023
7. Large Appeal Application dated April 12, 2023
8. Owen Appeal Application dated April 12, 2023
9. Trilling Appeal Application dated April 17, 2023
10. Montecito Planning Commission Action Letter dated April 12, 2023
11. Montecito Planning Commission Staff Memorandum dated March 31, 2023
12. Montecito Planning Commission Staff Report dated March 7, 2023
13. Project Plan Set

Appeals of the Coral Casino Amendment Project

Case Nos. 23APL-00015 through 23APL-00018, 23APL-00020, 22AMD-00000-00005, and 22CDP-00000-00079

Hearing Date: July 11, 2023

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**Authored by:**

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Development Review Division, Planning and Development Department