



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)