



Sonoma County Planning Commission STAFF REPORT

Sonoma County Permit and Resource Management Department
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FILE: MJS01-0002
DATE: December 10, 2009
TIME: 1:10 p.m.
STAFF: Melinda Grosch

Appeal Period: 10 calendar days

SUMMARY

Applicant: Graywood Ranch LLC

Owner: Thomas R. Passalacqua, Successor Trustee of the Lendal Gray Trust of 1996

Location: 7935, 7945, 7955, 7965, and 7977 Highway 12, Kenwood
APN 051-020-006, -032, -059, and 051-010-095
Supervisorial District No. 1

Subject: Major Subdivision

PROPOSAL: Request for a Major Subdivision of 278.3 +/- acres into six parcels; 129.1 +/- acres, 13.3 +/- acres, 91.1 +/- acres, 4.3 +/- acres, 11.2 +/- acres, and 29.3 +/- acres.

Environmental Determination: Mitigated Negative Declaration

General Plan: Diverse Agriculture, 17 acre density and Resources and Rural Development, 100 acre density. Special Area Policy LU-16o.

Specific/Area Plan: North Sonoma Valley Specific Plan
Land Use:

Ord. Reference: Chapter 25: Subdivision Ordinance

Zoning: DA (Diverse Agriculture), B6-17 acre density, SR (Scenic Resource) and RRD (Resources and Rural Development), B6-100 acre density, SR (Scenic Resource)

Application Complete for Processing: June 9, 2009

RECOMMENDATION: Adopt the Mitigated Negative Declaration and approve the Major Subdivision subject to Conditions of Approval.

ANALYSIS

Background:

The property known as the Graywood Ranch has a long history of development proposals going back to

the 1980's when the original proposal for a hotel, winery, and subdivision was made. The request was approved at that time but Conditions of Approval were never met and the project approval expired. However, the owners requested a Special Area Policy memorializing their project for the 1989 General Plan. Their request was granted and Policy LU-14r was included in the 1989 General Plan. The text of that policy is:

"LU-14r (1989 General Plan): *The "Diverse Agriculture" and "Recreation and Visitor Serving Commercial" designations applied to Graywood Ranch (APNs 51-020-06, 10, 19, 32 and 33 and 51-010-13 and 17) are intended to accommodate an approved development consisting of 18 residential parcels, a 35 room hotel and a winery, each on separate parcels, an agricultural parcel and a residual parcel. It is the intent of the general plan to:*

(1) exempt these parcels from the 10 acre minimum lot size requirement of the "Diverse Agriculture" land use category; and

(2) allow modification of the size and location of these parcels without further amendment of the land use map.

Any proposal to increase the total number of lots or the size of the hotel shall require a general plan map and/or text amendment."

In 2001, joint applications were made for the Graywood Ranch in Kenwood. The easterly half of the property has now become know as the Sonoma Country Inn property and their application included a request for an inn, spa, restaurant, winery, Major Subdivision/Lot Line Adjustment, and General Plan Amendment, Specific Plan Amendment, and Zone Change. That application was processed and approved in 2004. This current subject request is solely for a Major Subdivision of the western portion of the ranch. The Lot Line Adjustment included in the Sonoma Country Inn application established the formal boundary line between the two "halves" of the ranch. The General Plan Amendment resulted in new language for LU-14r which became LU-16o in the 2020 General Plan. The text is:

"Policy LU-16o: *The "Diverse Agriculture", "Resource and Rural Development", and "Recreation and Visitor Serving Commercial" designations applied to the Graywood Ranch (APN 051-020-006, 010, 019, 032, 043, 045; 051-101-013, 017) are intended to accommodate an approved development consisting of the following:*

For the easterly 186 +/- acres as shown on the approved Development Plan/Tentative Map:

A maximum of 11 residential lots of varying acreage with one primary single family dwelling on each parcel.

A 50-room inn and spa with a 125 seat restaurant open to the public within approximately 20 +/- acres of K (Recreation & Visitor Serving Commercial) zoning and on its own parcel.

A winery with incidental retail sales, public tasting, and special events on its own parcel.

For the westerly 290 +/- acres: A maximum of six residential lots of varying acreage including three existing dwelling units subject to a separate application."

The owner/applicant Lendal Gray (now deceased) continued to revise the Tentative Map up to this year, and many of the revisions resulted in having to re-review the proposal and required revisions to the Mitigated Negative Declaration.

The proposed Major Subdivision's Conditions of Approval were reviewed by the Project Review and Advisory Committee (PRAC) on September 17, 2009, who recommended Findings and modified Conditions of Approval to the Planning Commission.

Project Description:

Request for a Major Subdivision of the westerly 278.3 +/- acres of the 477+/- acre Graywood Ranch property near Kenwood. The Major Subdivision will create four new parcels while reconfiguring two existing parcels, for a total of six parcels. Parcel sizes are as follows: Lot 1- 129.1 acres, Lot 2 - 13.3 acres, Lot 3 - 91.1 acres, Lot 4 - 4.3 acres, Lot 5 - 11.2 acres, and Lot 6 - 29.3 acres

Site Characteristics:

The site is located just west of the unincorporated town of Kenwood, north of the intersection of Lawnwood Road and Highway 12. The project site ranges from approximately 425 feet to over 1,000 feet elevation. The project site is relatively flat at the southern end with moderately steep hills in the north. Currently there are no agricultural activities on the site although it was used for cattle grazing in the past. The property is developed with five dwelling units, a private airstrip, and multiple outbuildings.

Two un-named USGS blue line streams cross the western portion of the Graywood Ranch property. One stream descends from the center of the property in the upper northern area and runs adjacent to the adjusted lot line at the access road that divides the Graywood Ranch in the middle section of the property, then crosses over to the eastern side near the toe of the slopes. The other stream is a larger streamcourse with an historically broader riparian area that crosses the valley flatlands from the middle section of the property on the northwestern side, and exits to the southeast at Highway 12, just west of the existing entry/access road to the property. The riparian area has apparently been disturbed in the past, and appears to form a discontinuous corridor from unhealthy to healthy habitat off-site to the west. Both streams drain into Sonoma Creek.

Plant communities and habitats on the site include annual grasslands with scattered valley oaks on the flatlands; oak riparian habitat on the flatlands and mixed riparian forest on the slopes; mixed evergreen forest on the lower slopes, dominated by oaks and madrones in some areas and Douglas Fir in other areas; and chaparral on the upper slopes. Other than the riparian areas, sensitive communities include the valley oak grasslands and the oak madrone evergreen forest. The chaparral community is also unique because it tends to contain sensitive and rare species.

A large wetland area has been designated on the front portion of the property south of the larger drainage and north of Highway 12. This area has been subject to surface disturbance annually as the property owner tilled the flatland areas to reduce fire hazards by controlling the growth of non-native annual grasses. Unfortunately, this practice also significantly damaged the wetland area.

The property is currently developed with five single family dwellings. The proposed Major Subdivision will not result in more than two houses on any one lot. They are served by private septic systems and a well. Currently, all dwellings are accessed through the main entrance with private drives branching off of the main roadway.

A private airstrip, established in 1959, is located on the Graywood Ranch (west) side of the main drive. It is located north of the wetland/riparian area. There are two runways one running almost due west and one running northwesterly. The airstrip will remain after the subdivision has been completed.

Surrounding Land Use and Zoning:

North: The project is bounded to the north by Hood Mountain Regional Park, containing primarily chaparral-covered slopes, with some mixed evergreen forest. The park is zoned PF (Public Facilities), SD (Scenic Design) combining district.

West: Lands west of the project site are zoned LIA (Land Intensive Agriculture), B6-60 acre density, SR (Scenic Resources) combining district and AR (Agriculture and Residential), B6-20 acre density, SR (Scenic Resources) combining district. This area adjoins lands which are in the incorporated City of Santa Rosa.

East: To the east lies the remainder of the original Graywood Ranch, currently open grasslands, riparian

forest, mixed hardwood forest, and chaparral, with the approved, but as yet uncompleted, Sonoma Country Inn consisting of and Inn/Spa/Restaurant, Winery, and 11 residential parcels. The rough grading for the access roadways has been completed and improvements on Highway 12 at the intersection of the ranch road (to be called Campagna Road) have been completed. No other construction has been started or completed as of the date of this Staff Report.

South: Highway 12 forms the south boundary of the site. South of Highway 12 zoning is RR (Rural Residential), B6-5 acre density, and DA (Diverse Agriculture), B6-17 acre density all with the SR (Scenic Resources) and SD (Scenic Design) designations. The F1 (Primary Floodway) combining designation follows a waterway which runs east/west to the south of Highway 12. This area is comprised of numerous large lot residential parcels and an old walnut orchard.

DISCUSSION OF ISSUES

Issue #1: General Plan and Zoning Designations

This proposal is in conformance with General Plan Policy LU-16o (LU-14r in the 1989 General Plan) as modified by the Board of Supervisors' approval of the Sonoma Country Inn project (PLP01-0006) which established that the western portion of the property could be subdivided into six parcels of varying sizes and are not subject to the minimum parcel size of 10 acres as required by the Diverse Agriculture designation.

The existing dwellings will become single family dwellings on their own separate parcels. In the case where more than one dwelling will be located on a parcel, one of the dwellings will be required to be converted to non-habitable space, or if the parcel meets all of the criteria one residence may be converted to a Second Dwelling Unit. Alternatively, if the parcel meets the agricultural use criteria dwellings may be converted to Agricultural Employee dwellings.

The requested Major Subdivision conforms to both the General Plan and Zoning designations for the site.

Issue #2: Scenic Resources

The entire site is within either a Scenic Landscape Unit or a Community Separator, and Highway 12 is designated as a County Scenic Corridor and a State Scenic Highway. Special conditions apply to the subdivision of lands with these combining designations. Building Envelopes must be established for each lot and an Open Space Easement must be offered to the Sonoma County Agricultural Preservation and Open Space District.

Building Envelopes have been proposed by the applicant. The Building Envelope for Lot 1 has been relocated and subsequently reviewed in the field multiple times as the placement near the northern most property boundary, which is the highest area of the property, has resulted in some highly visible locations. The Building Envelope as shown on the Tentative Map (August 24, 2009) has been reviewed and it is acceptable since it is screened from views from Highway 12 and Adobe Canyon Road.

The Building Envelope on Lot 2 is located much lower on the slope and is located in the trees. It provides more opportunities for screening with vegetation allowing development to be screened from both Highway 12 and Adobe Canyon Road.

The Building Envelope on Lot 6 is located as far north on the proposed parcel as possible. It is outside the Scenic Corridor designation that follows Highway 12 and through the Design Review process development can be designed and landscaped so that it blends in with its surroundings.

The applicant will designate Building Envelopes around existing development on Lots 3, 4, and 5. These buildings are already well screened and the Building Envelopes are being designated so that any future development or re-development on these parcels will be as well screened as the current development.

Additionally, all new construction will be subject to Design Review through the Permit and Resource Management Department.

Issue #3: Cultural Resources

During various archaeological evaluations performed on the property over the years many prehistoric sites have been discovered on the property. Additionally, a pile of dirt brought to the Graywood Ranch from the Saint Francis Winery site has minor pieces of artifacts from that site. The archaeologists reviewing the site for this project recommend that this dirt not be spread around or mixed with the soils on-site.

In addition to the extensive prehistoric deposits on-site, the rock wall that parallels the wetland and creek was determined to be a significant historic resource.

In order to preserve both the historic and prehistoric cultural resources on-site, a Preserve Area has been established for the lower portion of the property, primarily Lots 6 and 3 are affected by this. The Preserve Area will be shown on the map and no construction or ground disturbing activities will be allowed without further archaeological evaluation. The preserve will prohibit construction and grading outside of the designated Building Envelopes and septic areas. Additionally, all ground disturbing activities must be monitored by an archaeologist and a representative of the of Native American tribes (at a minimum Federated Indians of Graton Rancheria and Lytton Band of Pomo Indians).

Issue #4: Biological Resources

In December 2006, a Botanical Survey (*Preliminary Botanical Survey of Portions of the Graywood Ranch Site, Sonoma County, California, Fall 2006*; by EcoSystems West Consulting Group) and a Biological Constraints Analysis (*Draft Biological Constraints Analysis, Graywood Ranch Project, Kenwood, Sonoma County, California*; by Roy Buck PhD, EcoSystems West Consulting Group) were performed for the subject property. Neither study discovered significant biotic resources. However, the study was prepared in the late fall and to ensure identification of some species a second study was prepared in the spring of 2007. A few shrubs of the Sonoma ceanothus (*Ceanothus sonomensis*) were found within the Building Envelopes of Lots 1 and 2. The botanists for the study felt that there might be more of these plants if the site had seen a more recent fire event as the species prefers burned areas.

The follow-up study in March 2007 noted that the Building Envelope on Lot 1 contained Monardella (possibly green Monardella) which is a plant on List 4 (Plants of Limited Distribution - A Watch List) of the California Native Plant Society. As such it does not qualify as a special status species. The Building Envelope on Lot 1 has subsequently been relocated further to the west to address visual issues. The plants that were found in the previously identified Building Envelope would be unaffected by development. Hayfield tarplant (*Hemizonia congesta* spp. *leucocephala*) is mentioned as possibly being on-site and is one of the few plants mentioned for which the appropriate growing area is present on the site. However, the plants were not in bloom preventing precise identification. This plant likes areas that have some routine disturbance such as would be found in a hayfield (hence the name) and will not be affected if the preserve areas along the front of the property are maintained as grassland and tilled once a year to prevent fires.

The Biological Constraints analysis pointed out that much of the site supports large trees which could provide nesting habitat for raptors and other birds. Birds are protected under the Federal Migratory Bird Treaty Act (50 CFR 10.13) and under California Fish and Game Code (Sect. 3503, 3503.5, and 3800). Several raptor species are also called out as being "fully protected" (Northern Spotted Owl and White-Tailed Kite) under Fish and Game Code (Sect. 3511) although these species are not expected to be present on this site. Mitigation Measures requiring bird studies and plant surveys just prior to development will reduce the impacts to these resources to less than significant.

In addition to plants and birds the site has a jurisdictional wetland bordered by a creek which drains to the Sonoma Creek. The wetland has been heavily damaged by repeated tilling which has been carried out over the years to reduce dry grasses which represent a fire hazard during the dry time of the year.

The site is subject to the Valley Oak Ordinance and the Tree Protection Ordinance. The flat land area of the parcel contains a Valley Oak Savanna. Like the Sonoma Country Inn which has a Valley Oak Preserve designated in the flat land area, this project has been conditioned to provide for an

Agricultural/Scenic/Valley Oak Preserve Easement over the valley flatlands to protect scenic, riparian/wetland, historic/archaeological, Valley Oak, and agricultural resources. Areas inside the Building Envelopes and the driveways will not be included in the Easement. The Easement will be granted to the Sonoma County Agricultural Preservation and Open Space District or other acceptable agency in perpetuity.

Issue #5: Geology and Soils

The General Plan Public Safety Element Figure PS-1i designates the area above the valley flatlands as having high or moderate potential for landslides, and the California Department of Mines and Geology maps show landslides on or adjacent to the property. The flat lands are subject to liquefaction and strong ground shaking. General Plan Goal PS-1 states: "*Prevent unnecessary exposure of people and property to risks of damage or injury from earthquakes, landslides and other geologic hazards.*"

A geological study was prepared for the Graywood Ranch as a part of the Environmental Impact Report (EIR) which discussed the entire property. The property was deemed to be developable although special engineering will be required for individual structures. These will be site- and project-specific design level geotechnical engineering investigation and are required to develop seismic design criteria for proposed structures at the site. As a part of permit applications for individual residential lots, applicants will be required to submit the necessary reports to the County Permit and Resource Management Department. Recommendations developed in the site-specific geotechnical reports prepared for each development area will be incorporated into the development plans.

Issue #6: Private Airstrip

A private airstrip lies on the western portion of the Graywood Ranch, adjacent to the main entry/access road for both portions of the property. The access road lies on the "adjusted" property line between the two portions of the Graywood Ranch, and the dirt airstrip lies diagonally across the western portion of the Graywood Ranch, beginning at the access road approximately 800 feet north of Highway 12 and heading in a northerly direction toward the existing ranch buildings. The Tentative Map shows two existing strips, one as described above, and another cross-wind airstrip headed in an east-west direction in the location of the riparian area. The airstrip was established with a Use Permit in 1959. The conditions of the 1959 Use Permit limit the use of the airstrip to the owner of the parcel and guests of the owner. No commercial use is allowed, including use by guests of the Sonoma Country Inn. The Sonoma Country Inn project has been conditioned to provide notification of the existence of the airstrip to property owners and guests of the Sonoma Country Inn and signs warning of low flying aircraft must be installed along the main entrance to the property.

The proposed subdivision results in a minor reconfiguration of a lot that already exists at the northern end of the airstrip which runs in a generally northwesterly/southeasterly direction. There are a significant number of oaks and other trees between the airstrip's northerly end and the structures on this parcel. Planes only land in the northerly direction; they take-off heading southerly due to the sharply rising hills in the northerly direction. Staff does not feel that the subdivision results in additional hazards from the airstrips since it will not result in more development within the flight pattern of the plane that uses the airstrip. The subdivision does not increase hazards from aircraft over hazards from existing conditions.

Issue #7: Fire Hazards

The project is located in a severe fire hazard zone. The project proposes two new lots and residences within a sloping wildland area. Steep slopes with a southwest facing aspect lie throughout the middle to upper portions of the property, where two of the residential lots are proposed. The slopes contain chaparral in the majority of the wildland area where Lot 1 is located, as well as mixed evergreen forest with a large component of Douglas fir trees in the middle area where Lot 2 is located. Both of these vegetation communities are considered severe fire hazards.

The General Plan Public Safety Element recognizes that residences have increased the number of fires in rural areas and recommends that rural development should be most restricted where natural fire hazards are high, fire protection is limited, and road access prevents timely response by firefighting personnel and

rapid evacuation by residents. General Plan Public Safety Element Goal PS-3 states: "*Prevent unnecessary exposure of people and property to risks of damage or injury from wildland and structural fires.*" Policy PS-3b states "*Consider the severity of natural fire hazards, potential damage from wildland and structural fires, adequacy of fire protection and mitigation measures consistent with this element in the review of projects.*"

Vegetation management for the upper portions of the development that would meet Fire Safe Standards would require the maximum amount of fuel management, including removal of many conifers, thinning of the canopy of remaining trees within the forested slopes, and removal of the majority of the chaparral within at least 150 feet of all structures and Building Envelopes on the upper slopes. Because the entire area is composed of natural communities that are highly prone to fire, and this development is proposed within the entire matrix of such wildlands, the proposal of isolated residential lots on the steep slopes and exposed ridges appears inconsistent with General Plan Public Safety Element goals and policies pertaining to fire hazards. However, consistent with the Sonoma Country Inn project on the eastern half of the property, which has the same high fire danger rating, Mitigation Measures have been identified to reduce the risks to less than significant.

Fire Safe Vegetation Management Plans will be prepared for each lot at the time of development which will be reviewed and approved by the Department of Emergency Services. Access to the six lots and structures must meet the standards and requirements specified in the County Fire Code, Fire Safe Standards, Uniform Fire Code, Uniform Building Code, and Vegetation Management Planning Requirements, as necessary. The water supply for fire protection must be developed in accordance with National Fire Protection Association Standards and Sonoma County requirements. Fire sprinkler systems shall be installed in all structures per current regulations. Non-flammable roofs are also required for all future structures on-site.

Issue #8: Transportation

The proposal to subdivide the property into six lots which results in three undeveloped lots that could subsequently be developed with residences plus vineyards on the 278.3 +/- acre western portion of the Graywood Ranch would result in less than significant impacts on traffic, including the number of vehicle trips or the volume to capacity ratio on Highway 12. Cumulatively, the project adds a minimal number of trips to the traffic expected due to the Sonoma Country Inn project on the other portion of the Graywood property, and is not expected to affect the Traffic Study generated for that project. The proposal includes continued use of the central access road for the homes. Given the improvements that will be carried out for the central access (left turn pocket on Highway 12, shoulder widening to allow for a deceleration lane, construction of a two way roadway into the property) as a part of the Sonoma Country Inn project - no further improvements will be required for this project.

Issue #9: Water Supply and Wastewater Disposal

The proposed lots will be served by private wells and septic systems. An extensive Groundwater Study was performed for the Sonoma Country Inn project which encompassed the entire parcel as the hills and flat lands all feed the aquifer. The Groundwater Study provided data on rainfall, runoff and infiltration for the property and determined that in normal years more water than would be needed to refill aquifer draw down would be deposited on the site. The alluvial soils on the flat lands are very permeable and allow for ample aquifer recharge.

The lots that do not have existing development (Lots 1, 2, and 6) have had areas tested and it has been determined that suitable soils exist on each parcel for the installation of a septic system that could serve a minimum three-bedroom dwelling. Lots 3, 4, and 5 have existing development with functioning septic systems. Prior to the map recording each will have a 200% expansion area designated for the lot and shown on the map. Preliminary Soils R eports indicate that there is adequate expansion area on each lot.

STAFF RECOMMENDATION

Adopt the Mitigated Negative Declaration and approve the Major Subdivision subject to Conditions of Approval.

FINDINGS FOR RECOMMENDED ACTION

1. The proposed project is consistent with Diverse Agriculture and Resources and Rural Development land use categories and the goals, objectives and policies for the Sonoma County General Plan as modified by General Plan Policy LU-16o.
2. The proposed project is consistent with the DA (Diverse Agriculture), B6-17 acre density, SR (Scenic Resources) and RRD (Resources and Rural Development), B6-100 acre density, SR (Scenic Resource) Zoning designations.
3. The Tentative Map is found to be in substantial conformance with the provisions of the State Subdivision Map Act and Chapter 25 of the Sonoma County Code in that:
 - a. The project is compatible with adjacent development.
 - b. The project site is physically suitable for the type and the density of development proposed.
 - c. The site has adequate water and wastewater disposal capabilities.
4. A Mitigated Negative Declaration with Mitigation Measures was prepared to address potentially significant environmental impacts which might be caused by the project.
5. There will be no significant environmental effect resulting from this project, provided that Mitigation Measures are incorporated into the project.
6. The establishment, maintenance, or operation of the use for which application is made will not, under the circumstances of this particular case, be detrimental to the health, safety, peace, comfort and general welfare of persons residing or working in the neighborhood of such use, nor be detrimental or injurious to property and improvements in the neighborhood or the general welfare of the area. The particular circumstances in the case are:
 - a. Scenic Resources protected through Building Envelopes, Easements, and Design Review of all new development.
 - b. Cultural Resources are protected through Building Envelopes, Easements, and monitoring during development.
 - c. Biological Resources are protected through Building Envelopes, Easements, and pre-construction surveys.
 - d. Geology and Soils hazards are prevented through the use of site- and project-specific design level geotechnical engineering investigations and incorporation of their recommendations into the building plans.
 - f. The private airstrip is subject to conditions preventing its commercial use and requiring signs to notify those using the private road into the property of low flying aircraft.
 - g. Fire Hazards have been addressed through conditions requiring appropriate access, building materials, vegetation management.
 - h. Traffic generated by the proposed project will not significantly impact area traffic circulation.

LIST OF ATTACHMENTS

- EXHIBIT A: Draft Conditions of Approval
EXHIBIT B: Proposal Statement
EXHIBIT C: Vicinity Map
EXHIBIT D: General Plan Map Land Use Map
EXHIBIT E: Zoning Map

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EXHIBIT F: Tentative Map

EXHIBIT G: Draft Resolution

Separate Attachment for Commissioners: Mitigated Negative Declaration and Large Scale Tentative Map