

YIMBY battle could land Rancho Palos Verdes in court

Local builder proposes 14 townhomes on bluff between million-dollar listings. Can Rancho Palos Verdes stop him?

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Optimum Seismic's Ali Vahdani and Mayor David Bradley (Beverly Hills Chamber of Commerce, City of Rancho Palos Verdes, Getty)

California housing officials are keeping an eye on Rancho Palos Verdes.

The coastal city known for dramatic cliffs, horse trails and eye-popping home prices wants to scrap its housing element and draft a new one after Ali Vahdani applied to build 14 townhomes and two cottages on a 1.6-acre vacant lot with dramatic views of Abalone Cove and Catalina Island beyond. In city planning circles it's known simply as "Clipper Site #16."

The uproar over the project and the city's efforts to block it has brought Rancho Palos Verdes into dubious legal territory, according to Vahdani's lawyer, Rand Paster & Nelson's Dave Rand and pro-housing groups. Now, the City Council is weighing a proposal they say is illegal.

"The Clipper site will become synonymous with housing dysfunction," Rand said. "It's one thing for cities to adopt restrictive zoning. This is infinitely worse and more cynical."

Vahdani, a civil engineer and founder of Optimum Seismic, made a well-timed bet on the property three

years ago, just as the city was drawing up its plan to increase density and make room for 647 more homes, as required by the state's Housing Element Law. Vahdani, who lives in Glendale, is a well-known figure in Rancho Palos Verdes, where he does business, owns real estate and contributes to local campaigns, including former Mayor John Cruikshank, according to financial disclosures and county property records. But he's never developed housing from the ground up before, Vahdani told *The Real Deal*. The Clipper site would be his first attempt at doing so, and he had a vision to make "a boutique development to be proud of."

"I've been working on this particular property for the past two years," Vahdani told the city's planning commission in October 2021. At the time, he was in escrow to buy Clipper Site #16. "I always had a vision of developing it to be a very nice property, of course supporting the wishes of the neighborhood and working closely with the staff."

Vahdani bought the parcel in April 2022 for \$2.2 million — [slightly less](#) than its tax-assessed value at the time — from Thomas and Shannon Hartman, who raised their children in a home on the other side of the block.

The Hartmans never developed the empty lot, though it was zoned for up to four homes. The family opted instead to use it for Easter egg hunts and family picnics, according to a source who lives in the neighborhood and spoke on the condition of anonymity.

Four months later, the city adopted its 6th Cycle Housing Element, a set of commitments it's required to make to contribute to the state's housing plan. As part of its plan, Rancho Palos Verdes upzoned the Hartman lot to accommodate eight more units, for a total of 12.

By then, Rancho Palos Verdes was [racing against time](#). It needed to certify its housing element to cut off the flow of builder's remedy projects, where developers jump past local review to add housing by-right, including [Akhilesh Jha's](#) 482-unit affordable housing [proposal in Silver Spur](#). The threat of such megaprojects looms large in Southern California, where [many cities are failing to keep up with](#) the state's timeline to develop and adopt a local housing plan.

Rancho Palos Verdes hired [land use consultant Dudek](#) to help it come up with a list of three sites that could be further upzoned to add more housing, and the City Council [adopted a new zoning ordinance](#) that did so last April.

Vahdani stood to profit further. According to [the revised plan](#), he can now build up to 22 homes on his property, if he can find a safe way to fit them on the sloping, irregular site.

Complicating matters is the 250-million-year-old [landslide](#) about a mile east, which is causing California to slip into the sea at a rate of about one foot per week. Many homes there are under evacuation, and the feeling of "living on the edge" pervades the city.

But Clipper Site #16 is not at risk, according to Megan Barnes, a spokesperson for the city manager. But builders in the area have to undertake geotechnical and soil analyses in order to get projects entitled, Barnes added in an email to *The Real Deal*.

Vahdani wasted no time filing a preliminary application last November to develop 16 homes on the site, one of which would be affordable to a very low-income household, and he was soon on his way to becoming a home builder on the Palos Verdes Peninsula.

The winter of discontent in Abalone Cove

The proposal came as a shock, since new housing is seldom proposed in Rancho Palos Verdes. The city has issued permits for a mere 14 new housing units over the past year, all of them accessory dwelling units, or small cottages built next to single-family homes, according to [a city planning report](#) published in

March.

“We already have enough housing. That lot never needed to be in there,” Shannon Hartman pleaded in a public hearing last month. “It’s in a landslide area with movement all around.”

The public outcry over Vahdani’s proposal mounted over four months, with neighbors citing the purported risk posed by the nearby landslide, the impact on their property values and the character of the neighborhood.

“This is a single-family area and we’re doing everything we can to keep that,” another resident testified last month.

Desperate for a way to block Vahdani’s project, Rancho Palos Verdes City Council drew up a plan to go back to the drawing board and submit a new Housing Element removing Clipper Site #16 and two other sites from the plan.

“I was devastated,” Vahdani said. “I never built 16 houses from scratch. I’m not a big developer. I was working on this for three years, paying a lot of consultants and architects. I saw it as totally unfair, totally crazy. I couldn’t believe they were going to downzone it months later.”

The sudden about-face would undo years of work.

Submitting a new housing element would require more rounds of public review, planning commission approval and another City Council vote. In addition, the city also needs to withdraw its Local Coastal Program amendment and submit a new one removing the sites.

“The reason these sites were selected for consideration of removal was due to the number of units they would produce,” Barnes stated in an email to *TRD*.

State housing officials reviewed the changes and approved them.

That’s when Rand the attorney went into battle mode. And now, nonprofit law firm YIMBY Law has also stepped in to say, “not so fast.”

“We’re in an interjurisdictional quagmire,” said Rand. “The city put this site in the housing element. They did everything to invite development on this property, only to walk it back when it became politically challenging for them.”

Furthermore, the last-minute revisions are illegal, and would likely subject the city to the dreaded builder’s remedy, according to Californians for Homeownership and YIMBY law.

The city cannot deny Vahdani’s vested rights to develop the property after he filed his preliminary application in November, YIMBY Law executive director Sonja Trauss warned in a March 17 letter to the Rancho Palos Verdes City Council. The state’s 2019 Housing Crisis Act, also known as SB 330, bars Rancho Palos Verdes from undoing the zoning ordinance it adopted last April in order to block a development.

“The options in front of you are to respect the efforts of your staff which led to a Housing Element and subsequent rezoning and an application consistent with those measures, or to waste time and open yourselves to our lawsuit,” Trauss wrote.

The warning seems to have landed.

The City Council was set to vote on taking the first step to unravel its housing element the following day. Instead, the body put the vote off indefinitely, much to the chagrin of Vahdani’s neighbors.

“There are many things the city cannot control,” Rancho Palos Verdes Mayor David Bradley conceded in [the March 18 meeting](#). “While we are very sympathetic to many things that have been said tonight, there are only a limited amount of things that the city can do. Sacramento has changed the housing laws in the state of California in dramatic fashion, generally in favor of the developers.”

The state housing agency, Housing and Community Development, for its part, took a back seat to the drama. A spokesperson for the agency said in an email to *TRD*: “HCD does not have authority to require a city to include or exclude particular sites, only to evaluate whether the sites identified by the local jurisdiction are, among other requirements, adequate, suitable and available.”

That said, the city must “honor the zoning that existed at the time the project application was submitted due to the application of SB 330, which was passed in 2019,” the spokesperson added.

Rand isn’t going anywhere. He [let loose](#) about his client’s situation on X last month.

“Things happen in land use that cause me to question whether CA can ever figure it out,” Rand wrote on X. “We are fighting it like hell.”