

Chapter P6

Growth Inducement

Introduction

This chapter presents a discussion of growth -inducement impacts related to the potential sale and conveyance of a portion of the applicant's water entitlement in order to finance the proposed Recycled Water Project Phase II mitigation identified in Chapter P1, "Water Supply and Demand", in this document.

The environmental setting used as the basis for evaluating growth-inducements is at the end of this chapter.

This revised analysis supplements the assessment of growth inducement in Chapter 4.3 of the Draft EIR to include impacts related to Phase II financing, which were not disclosed in the Draft EIR.

Revisions Since Draft EIR

The key changes in analysis of growth inducement in this document compared to the Draft EIR are as follows:

- The proposed RWP Phase II financing mechanism (via sale and conveyance of up to 175 AF of the applicant's water entitlement for residential use in the Del Monte Forest) is found to be growth-inducing. The financing mechanism could remove a constraint to growth within the Del Monte Forest for up to 141 existing vacant or future lots as well as expansions of existing residential uses on developed residential lots. Because the induced growth would be residential development in compliance with the buildout envisioned in the existing Del Monte Forest Local Coastal Plan (LCP, County of Monterey 1987), the financing mechanism is growth-accommodating. The general character of the environmental effects of increased residential development in the Del Monte Forest is disclosed based on existing information.
- The growth-inducement effects of the Proposed Project (separate from the RWP Phase II mitigation) are unchanged from the Draft EIR and thus are not presented again in this document.

The following table summarizes the changes to the Draft EIR

PRDEIR Text	DEIR Text Affected by PRDEIR Text
RWP Phase II Financing Growth Inducement	New Text is be added to the Growth Inducing Impacts section

Characteristics for Impact Analysis

The characteristics of the RWP Phase II financing and potential future residential development in the Del Monte Forest that were used as the basis for the impact analysis are described below. The environmental setting relative to the impact analysis is presented after the impact analysis itself.

Potential RWP Phase II Financing Mechanism

The applicant has made a financing proposal to fund the Phase II Improvements that was approved with certain conditions in Ordinance No. 109 by the MPWMD in May 2004 (MPWMD 2004). This proposal is to sell and convey a portion of the applicant's water entitlement to other property owners within the Del Monte Forest for residential use.

MPWMD Ordinance 109 amends the existing Fiscal Sponsorship Agreement to expand the "benefited properties" that may utilize the water entitlement in the Del Monte Forest to include residential properties owned by parties other than the applicant. Residential property owners who agree to invest in RWP Phase II will receive a portion of the applicant's entitlement. These investment proceeds will be held in escrow to fund the cost of Phase II Improvements. Construction would proceed once the escrow account contains sufficient funds to cover the cost of the improvements. Ordinance No. 109 limits the provision of back-up potable water to the recycled water uses to only in the event of an "interruption" consisting of damage or destruction or inoperability of project infrastructure to deliver recycled water. Ordinance No. 109 also limits the overall amount of the applicant's entitlement that can be sold or conveyed to 175 AF (MPWMD 2004).

Potential Future Residential Development in the Del Monte Forest

As described in Chapter 4.4 of the Draft EIR and in Chapter P7 in this document, there are 222 lots that could be developed for residential uses in the Del Monte Forest in conformance with the existing Del Monte Forest Land Use Plan (LUP, County of Monterey 1987). This total includes 144 vacant undeveloped lots

scattered throughout the Del Monte Forest and potentially another 78 lots in Areas F-1, J, X, and Y (if subdivided).

It should be noted that Monterey County has not verified the legal status of all of the 144 lots and thus not all of the lots may represent legal lots of record. Thus, the prospective buildout characteristics used in this Chapter are illustrative only. For the sake of analysis, it has been assumed that all 144 lots could be developed and that Areas F-1, J, X, and Y could be subdivided per the LUP allowable densities.

Measure A, if certified by the California Coastal Commission, would reduce the amount of potential lots in Area F-1 and Area J to a total of 4 lots, instead of the 35 lots allowed by the existing LCP. Area F-1 and Area J are owned by the Pebble Beach Company which has stated that their future plans for these properties only includes a total of 2 lots in Area J and 1 lot in Area F-1. This has not been taken into account in the analysis in this document because Measure A has not been certified and because there is no existing application for residential development in these areas. Measure A would not affect the buildout potential of the other existing vacant lots in the Del Monte Forest nor the potential subdivision of Areas X and Y.

Some of the 144 vacant lots and two of the potentially subdividable areas (Area F-1 and J) are owned by the applicant and are already within the designated benefited properties for the applicant's current entitlement. There would be no sale or conveyance of the applicant's water entitlement to these lots and areas.

Based on mapping data by the applicant (WWD 2004), there are an estimated 98 vacant undeveloped lots in the Del Monte Forest that the applicant does not own in addition to the potentially subdividable Areas X and Y (See Figure P6-1). If Area X (potential of 23 lots) and Y (potential of 20 lots) were subdivided, there could be 141 potentially developable lots. These lots (and potential lots) are currently restricted from development due to the limited availability of water. In addition, expansions of existing residential uses on developed lots are also constrained by the lack of water.

Growth-Inducement Impacts

This section discusses growth inducement effect of the RWP Phase II financing mechanism and the general environmental effects of the growth-inducement.

Growth Inducement Related to Phase II Financing

Prior Analysis of Growth Inducement

An EIR was prepared for the existing (Phase I) RWP in 1989 with an Addendum in 1991 (CSD/PBCSD 1989a and 1989b, CAWD/PBCSD 1991). An analysis of the growth-inducing impacts of the RWP Phase I project was presented in the original EIR that assumed that a range of 900 to 1,000 potential residential units could be built based on the reallocation of potable water made available by the RWP. That analysis also included a discussion of the indirect environmental impacts associated with buildout of those units. The Phase I RWP was determined to have growth-inducing impacts because it would remove a restraint to new growth in Del Monte Forest. However, the amount of additional development that could occur was determined not to exceed the estimated buildout under existing General Plan and the adopted LCP. Therefore, the project was considered to be growth accommodating (CSD/PBCSD 1989a and 1989b).

Phase II Financing Induced Growth

As described in Appendix G, the average residential use in the Del Monte Forest is around 0.8 AF/single-family residence (WWD 2001). Based on this average, the sale and conveyance of up to 175 AF of the applicant's entitlement could provide sufficient water for up to 219 new single-family residences or the equivalent use by a combination of new residences and expansion of existing residential use on developed lots. However, based on the estimate above, there is a potential for development on only 141 undeveloped lots and potential lots not owned by the applicant. Thus, if RWP Phase II investor use were to approach 175 AF, it is probable that the investor use would have to be a mix of new residential uses on undeveloped lots and expanded residential use on previously developed lots.

The total Del Monte Forest residential buildout including the project (residential and employee housing units totaling 93 units) and other potential residential development (up to 222 units), would be 315 housing units. Including the Proposed Project's 160 visitor-serving units (which are not envisioned in the existing LCP but are included in Measure A), the total new buildout units could reach 475 units. This total is far less than the potential residential buildout envisioned in the 1989 EIR prepared for RWP Phase I (900 –1,000 residential units). The MPWMD, in their CEQA findings for approval of Ordinance No. 109, which approved changes in the financing plan for the RWP, concurs that RWP Phase II financing mechanism would result in less buildout than that envisioned in the EIR for RWP Phase I and in the existing LCP (MPWMD 2004).

While the potential growth inducing effects for RWP Phase II and resultant Del Monte Forest buildout are lower than that anticipated for RWP Phase I, by requiring Phase II funding by the applicant as mitigation for water supply and

biological resource impacts of the Proposed Project, the project (as mitigated) would remove an existing constraint to growth. Thus, the RWP Phase II financing is considered growth-inducing. As previously indicated, there are 98 vacant lots and 43 potential lots on lands not owned by the Applicant, for a total of 141 lots on which growth would be induced as a result of the RWP Phase II financing and conveyance of entitlement.

Environmental Effects of Growth-Inducement

Cumulative impacts of Del Monte Forest buildout were disclosed in Chapter 4.4 of the Draft EIR and are partially revised in Chapter P7 of this document for certain issues. Since the level of buildout analyzed in the cumulative impact analysis is essentially equivalent to or greater than the potential growth-induced buildout level with the RWP Phase II financing mechanism, the cumulative analysis is considered an adequate basis by which to characterize the environmental effects of growth-inducement in this section.

The financing plan for the RWP Phase II project does not directly result in new development itself, as Phase II investors would need to comply with existing coastal development permit, building, and grading permit requirements included in the existing LCP for development of vacant lots and remodels/expansions on developed residential lots. Since Phase II investor residential development is not part of the Proposed Project nor part of the RWP Phase II Improvements and no related applications have been submitted that rely on use of the applicant's entitlement, mitigation is not identified in this document. Permit review and project-specific environmental review, as required, would be the forum in which project-specific environmental impacts would be assessed and mitigation for significant impacts identified.

More than half of the existing vacant lots are located in the Pebble Beach subdivision north and northeast of the Lodge, the MPCC #1 subdivision between Spanish Bay and Forest Lake, and the Douglas Tract, south of Robert Louis Stevenson School. The rest of the vacant lots are scattered across the other Del Monte Forest subdivisions. The analysis of environmental effects of vacant lot development was generic in nature as these lots are scattered in different somewhat isolated locations. The location of the two potential subdividable areas not owned by the applicant (Area X and Y) was used specifically in the analysis. Most of the existing lots were subdivided prior to certification of the existing LCP; thus LUP designations, policies, and standards were not implemented at the point of subdivision. At the point of building permits, LCP policies would be applied when and if development is proposed on these sites.

Land Use

The buildout of the remaining developable parcels would be consistent with LUP, Area Plan, and General Plan policies with implementation of mitigation similar to that in the Draft EIR and appropriate conditions of approval. The

primary land use change resultant from Phase II financing would be removal of the resource constraints overlay for Phase II investor residential lots relative to water. Water, traffic, and sewer constraints are discussed separately below. With provision of water, residential project-specific assessment of traffic impacts, and sufficient sewer capacity, removal of this constraint for individual residential lots may be warranted.

Geology, Seismicity, and Soils

Development of new residential structures in the Del Monte Forest would potentially expose persons or structures to hazards related to seismic activity, landslides and slope stability, erosion, and soil constraints. These impacts can be addressed through the permit review and any associated environmental review through application of LCP policies and standard, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

Biological Resources

In general, residential development in the Del Monte Forest could affect the following types of resources:

- Environmentally Sensitive Habitat Areas (ESHAs)
- Sensitive vegetation communities (such as wetlands and Monterey Pine Forest)
- Endangered, threatened, and rare plant species
- Endangered, threatened, and rare wildlife species
- Common wildlife species
- Native trees (such as Coast live oak and Monterey pine)

Due to the extensive nature of the Proposed Project, the detailed Biological Setting in Appendix E of the Draft EIR describes most of the potentially affected biological resources found in the Del Monte Forest. The list of special-status plant species with potential to occur in the Proposed Project sites in the Draft EIR was updated to include other sensitive plants with potential occur in the Del Monte Forest and is included in Appendix E.4. The list of special-status wildlife species with potential to occur in the Proposed Project sites in the Draft EIR includes all of the special-status wildlife species with potential to occur in the Del Monte Forest and is also included in Appendix E.4.

While site-specific review of the existing vacant lots has not been conducted, review of existing data identifies the following information for some of these areas:

- **Existing Vacant Lots along 17-mile Drive between Pescadero Point and Cypress Point.** This area contains designated ESHA for Monterey cypress according to Figure 2 of the Del Monte Forest LUP. Other sensitive biological resources may also be present.
- **Area Y** (20 acres, 20 potential dwelling units if subdivided) is located southwest and adjacent to Area R, which is included within Proposed Project Preservation Area PQR. The area is north of Del Ciervo Road. Based on the aerial photography and biological resource mapping for Area PQR (see Draft EIR Appendix E), this area is covered by Monterey pine forest, and is directly adjacent to an area containing Yadon's piperia, Hooker's manzanita, and a significant (ESHA) occurrence of sandmat manzanita. These sensitive plants are likely to be present on the site

As a proxy for site-specific analysis of potential impacts of residential development on biological resources, the potential effect of residential development on existing vacant lots on Monterey pine forest was evaluated using Geographic Information System (GIS) data. Undeveloped Monterey pine forest is defined as extant forest with an intact overstory of Monterey pine and an intact understory based on the mapping conducted by Jones and Stokes in 1994 as partially updated in 2002 (Jones & Stokes 2004). While Monterey pine forest is not the only land cover community in the Del Monte Forest (Monterey pygmy forest, coastal dunes and scrub, and Monterey cypress forest are other notable natural land covers), it is the most ubiquitous and the most likely to occur on multiple residential development sites.

When the existing mapping of undeveloped Monterey pine forest (updated to 2002) is overlayed onto the existing 98 vacant lots not owned by the applicant, approximately 35 are identified as containing undeveloped Monterey pine forest (See Figure P6-2). Area Y, if subdivided, could result in up to 20 additional residential lots. Thus, there is a potential for development of 55 new dwelling units on lots, not owned by the applicant, that contain undeveloped Monterey pine forest. Using the 0.5 acre/lot recommended building envelope from Draft EIR mitigation as an average development footprint, residential development of these lots could result in loss of up to 27.5 acres of up to undeveloped Monterey pine forest. This estimate is only for illustrative purposes only and actual impacts would depend on site-specific development proposals that actually come to pass. Where the extant forest is already isolated and fragmented, this loss would be less significant than where the extant forest is more or less intact, such as Area Y.

Biological resource impacts for future residential development will need to be addressed through permit review, associated environmental review through application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval. Whether or not extant biological constraints may limit development of some of the existing vacant lots cannot be identified until site-specific assessment is conducted.

Surface Hydrology and Water Quality

Residential development in the Del Monte Forest would add incrementally to the total amount of impervious surface in the Del Monte Forest, resulting in increased stormwater runoff. Buildout of the remaining lots would also increase pesticide, herbicide, and fertilizer use in the Del Monte Forest, primarily in relation to residential landscaping. Under cumulative plus project conditions, the Proposed Project could contribute to degradation of water quality due to stormwater runoff during construction.

Residential construction would include grading, paving, and use of fuels and construction materials that may result in sedimentation or other contamination of stormwater runoff.

These impacts can be addressed through the permit review and any associated environmental review through application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

Public Services and Utilities

The public services and utilities impacts identified below for residential development can be addressed through the permit review and any associated environmental review by application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

A. Fire and Police Services

Residential development would contribute to an increased demand for fire and first-responder emergency medical services. As identified in the cumulative analysis in the Draft EIR, fire protection and first-responder services can service the projected cumulative total of units in Del Monte Forest.

Residential development would contribute to an increased demand for police services. As identified in the cumulative analysis in the Draft EIR, there is a present deficit in police staffing levels related to the Del Monte Forest.

B. Emergency Access

Residential developments could interfere with certain emergency access routes in the Del Monte Forest that could potentially prevent a response to wildland fires or other emergency service calls.

C. Wildland Fire Hazard

Residential development adjacent to wildland areas could increase the risk of wildland fire and the number of nearby structures that could be affected by wildland fire.

D. Water Supply

As the analysis of water supply and demand with RWP Phase II has identified (see Chapter P1, “Water Supply and Demand”), combined Phase II/Proposed Project water use would be less than at present under average and dry conditions. During wet conditions, use would increase but significant impacts to water supply and related biological resources can be mitigated. Combined Phase II/Proposed Project water use could increase over present under very dry conditions. Project mitigation is identified in Chapter P1 to avoid any net increase in water demands during such conditions. Overall, the combined effect of the Proposed Project and Phase II investor use would be mitigated to a less than significant level.

E. Infrastructure

As identified in the cumulative analysis in the Draft EIR, there has been no indication by any of the service providers that cumulative development within their service areas in the Del Monte Forest would cause them to experience unacceptable levels of service. Therefore, the additional residential development that may be approved within the areas of the service providers, combined with other planned future development, would not have any cumulative significant impacts on the delivery of public services.

F. Wastewater Treatment

As identified in the cumulative analysis in the Draft EIR, the existing capacity at the CAWD plant is sufficient for planned buildout.

G. Utility Disruption during Construction

Residential development could result in construction-related service disruptions.

H. School Enrollments

As identified in the cumulative analysis in the Draft EIR, existing schools can meet cumulative demand for student enrollments in the Del Monte Forest.

I. Recreational Demand and J. Open Space

As identified in the cumulative analysis in the Draft EIR, increased residential development would increase use of existing neighborhood and regional parks and open space. However, with the existing level of use, the Proposed Project’s increased recreational trails and opportunities, open space, and resource management and the mitigation identified for the proposed project, buildout recreational/open space demand is not expected to result in a significant environmental effect.

K. Landfill Capacity

As described in the cumulative analysis in the Draft EIR, the Marin landfill has adequate capacity for the project and for reasonably foreseeable cumulative development.

Aesthetics

New residential development in the Del Monte Forest would be subject to the requirements of the LUP and CIP and to review by County staff, the Del Monte Forest Architectural Review Board, and the Del Monte Forest Land Use Advisory Committee. This permit review and resultant project conditions would be expected to constrain aesthetic impacts to a less than significant level.

Transportation and Circulation

As identified in the cumulative analysis in the Draft EIR, residential development would add traffic to roadways within and outside of the Del Monte Forest and would contribute to the decrease of level of service at Forest gates and intersections to unacceptable levels or contribute traffic to intersections that current operate at unacceptable levels.

The cumulative analysis in the Draft EIR included an overall 8 percent increase in traffic outside of the project. The estimated 222 residential unit potential in the Del Monte Forest, if built out, would represent an increase of 7.9% over the existing 2,814 developed residential lots. Thus, the cumulative traffic analysis is representative of the conditions with potential induced residential build out.

Mitigation for project contributions to cumulative traffic was identified in the Draft EIR. Where residential development would make contributions to cumulative traffic, fair-share contributions would be required pursuant to LCP policies for the implementation of traffic solutions. Potential subdivisions, such as Area Y, may contribute more considerably to cumulative traffic; site-specific and project environmental review would need to analyze these effects.

Air Quality

Residential development would generate additional vehicular emissions and construction-related PM10 and diesel emission. Vehicular emissions of single-family residences are likely to be less than MBUAPCD's thresholds for project operations and would not be a significant impact. Construction emissions for single-family residences are likely to be less than MBUAPCD thresholds for PM10; however development of a subdivision like Area Y could result in significant impacts depending on the pace and scale of construction activity. Air quality impacts can be addressed through permit review, environmental review, application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

Noise

As identified in the cumulative analysis in the Draft EIR, no significant long-term cumulative noise impacts related to buildout of the Del Monte Forest are expected as the cumulative analysis took into account the cumulative traffic of the Proposed Project and Del Monte Forest buildout.

Short-term, construction-related noise impacts of individual residential development and or new subdivisions may be significant, depending on timing of construction and proximity to other receptors. Noise impacts can be addressed through the permit review and any associated environmental review by application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

Cultural Resources

Cultural resources may be located on residential lots to be developed. Grading and excavation related to construction of new residences could result in significant impacts on archaeological resources or disturbance of human remains. Remodels or expansions may affect existing structures, some of which might be historically significant.

Cultural resource impacts can be addressed through permit review, associated environmental review, application of LCP policies and standards, development of mitigation measures, and imposition of conditions of approval similar to that developed for residential development included within the Proposed Project.

Environmental Setting

Del Monte Forest Future Residential Development Setting

Due to the widespread nature of the Proposed Project throughout the Del Monte Forest, the Environmental Setting presented in the Draft EIR in Chapters 3.1 through 3.10, the cumulative setting in chapter 4.4, and the Detailed Biological Setting in Appendix E of the Draft EIR provide a reasonable description of Del Monte Forest resources to serve as the baseline for disclosure of growth inducement effects related to RWP Phase II Financing by sale and conveyance of a portion of the applicant's entitlement to residential users. The setting in the Draft EIR has been updated for certain subjects within this document. In addition, the Del Monte Forest Land Use Plan (Monterey County 1987) also presents information relevant to the setting for assessment of growth inducement and is incorporated by reference.