

**PLANNING COMMISSION
COUNTY OF MONTEREY, STATE OF CALIFORNIA**

Resolution No. 04054

A.P. #

113-271-014-000

113-212-043-000

113-212-044-000

113-212-003-000

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FINDINGS & DECISION

Before the Planning Commission of the County of Monterey:

RANCHO SAN JUAN SPECIFIC PLAN (DEV0301)

- 1) Certify the final EIR for the Rancho San Juan Specific Plan and HYH property project (FEIR 0401) and adopt mitigation monitoring and reporting plan.
- 2) Adopt amendments to the Monterey County general Plan to include the following:
 - a) Goal 30, Policy 25.1.1 and Policy 30.0.3 (Agricultural Viability of Farmland)
 - b) Policy 26.1.9 (Ridgeline Development)
 - c) Policy 39.2.1 (Road Circulation)
- 3) Adopt amendments to the Monterey County Greater Salinas Area Plan (GSAP) to include the following:
 - a) Land Use Plan – Figure 13 (GSAP)
 - b) Amendment of the Rancho San Juan Area of Development Concentration Development Guidelines and principles adopted pursuant to Policy 26.1.4.1
 - c) Part II, Chapter V GSAP defining the commercial and industrial land use designations in the Area Plan
 - d) Policy 28.1.1.2
 - e) Policy 39.1.4.1
 - f) Policy 40.1.1.1
 - g) Policy 51.4.1.1
- 4) Adopt amendments to Title 21 (Monterey County Zoning Ordinance [Non-Coastal]) to include the following:
 - a) Addition of Chapter 21.41 (Regulations for Specific Plan Zoning Districts)
 - b) Amend Section 21.08.010 (Designation of Districts)
 - c) Amendment to Section 20.08.020 (Combining Regulations) to establish the “SP” zoning district
 - d) Amendment to Sections 21-4d, 21-5, and 21-7 of Section 21.08.060 (Sectional District Maps) to rezone the subject properties “SP”
 - e) Amendment to Section 21.66.030.F (Standards for Agricultural Uses)
- 5) Adopt amendments to Title 19 of the Monterey County Code:
 - a) Amendment of Section 19.10.070.G (Off-site Reduction or Elimination of Water Use)
- 6) Adopt the Rancho San Juan Specific Plan to include the following (DEV0301): 4,000 mixed residential units throughout the development; a town center with 374,000

square feet of community and mixed use retail space; a 2.4 million square feet employment center with a variety of light industrial, business and office park space, 243,000 square feet of office space, an 18-hole golf course and clubhouse; 568.5 acres of enhanced open space with a trail system, 84.5 acres of public parkland; and installation of infrastructure

**HYH PROPERTY PROJECT
(BUTTERFLY VILLAGE DEVELOPMENT) (PLN020470)**

Approve the following, based on certification of final EIR (EIR# 04-01):

- 1) Mitigation Monitoring and Reporting Plan for the Butterfly Village Project (PLN020470).
- 2) Combined Development Permit consisting of (PLN020470):
 - a) Vesting Tentative Subdivision Map to create parcels for 739 single-family units, 338 multi-family units, two parcels totaling 7.6 acres for 141 guest villas/time shares, two parcels for 45,000 sq. ft. of commercial use, 229.6 acres for an 18-hole golf course and clubhouse, 132.9 acres of open space, a 7.3 acre parcel for golf course maintenance facilities, 13.3 acres of roads, a 15.4 acre parcel for sewage treatment facility, 10.0 acres of parks and 32.8 acres for Highway 101 bypass;
 - b) Use Permit for a sewage treatment plant;
 - c) Use Permit for an 18-hole golf course and clubhouse;
 - d) Use Permits to allow development on slope in excess of 30%;
 - e) Use Permit for oak tree removal (34);
- 3) Adopt an ordinance approving a development agreement.

RECOMMENDATION AND RECITALS

The Planning Commission hereby recommends that the Board of Supervisors:

- 1) Not certify the Final Environmental Impact Report (EIR-0401) and associated Mitigation Monitoring and/or Reporting Plan;
- 2) Not approve the proposed amendments to the Monterey County General Plan and Monterey County Greater Salinas Area Plan;
- 3) Not adopt the proposed Rancho San Juan Specific Plan (DEV0301) (Alternative 4E)
- 4) Not approve the proposed amendments to Title 21 of Monterey County Code and amendments to Title 19 of Monterey County Code;
- 5) Deny the Combined Development Permit (PLN020470/Butterfly Village Project); and,
- 6) Not approve the proposed Development Agreement between the HYH Corporation and the County of Monterey.

The Commission conducted public hearings on November 15, 16, 29, and December 1, and 2 and considered reports from staff and consultants to the County, public testimony and comments, the draft Specific Plan, the Final EIR, proposed amendments to County plans and ordinances, the Butterfly Village Combined Development Permit application and the proposed Development Agreement.

Process Concerns. The information and documentation provided to this point are incomplete. Additionally, there has not been sufficient time for the Planning Commission or the public to perform a sufficiently in-depth review of the material. The physical amount and organization of the material make it hard to read and understand, and some members of the public testified that they had difficulty accessing the documents in any form.

Completeness of the EIR. The EIR is central to the review of all of these elements. The EIR is extremely complex and voluminous, and numerous comments have been received requesting additional information. The Final EIR is not complete in certain respects, and therefore the Planning Commission recommends that the EIR not be certified.

Unresolved Issues. A number of important substantive issues remain unresolved. These include, among others, requests by several property owners to have their property removed from the proposed Specific Plan area, specific concerns from property owners about particular proposed Plan provisions, the concerns expressed by representatives of the City of Salinas about the impacts of the Plan on their community, and concerns expressed by the Salinas Valley Rural Fire District regarding the proposed provisions governing fire protection for their area of jurisdiction in the Specific Plan.

Areas of Concern. The Commission has noted and the public has emphasized that there are numerous significant, unavoidable impacts that would remain unmitigated as a result of Project implementation that are not outweighed by the number of public benefits. This fact is central to the Planning Commission's recommendation to deny the Project.

Additional major areas of concern based on information received to date regarding Project elements and potential impacts are provided below:

Traffic Impacts. The traffic impacts from the implementation of the Specific Plan and the implementation of the Butterfly Village Project cannot be adequately mitigated in a reasonable timeframe based upon the schedule for proposed construction of future improvement projects. Existing traffic is already at LOS F at many intersections and road segments. These conditions would be exacerbated by the increase in vehicle traffic that would be generated from the project. In addition, there are concerns expressed by the City of Salinas with respect to increased impacts to intersections in the City and the cost for maintaining roads from the additional traffic.

The Commission recognizes that the timeframe for the construction of the 101 Bypass remains uncertain and that therefore, preventing construction in Rancho San Juan until there is a date set for construction is inappropriate language to retain in the Guidelines and Principles for the Rancho San Juan ADC. Nevertheless, rather than merely deleting this condition from the Guidelines, the Commission believes that to the greatest extent allowed by law, developers should be required to construct traffic improvements concurrent to commencing with construction in Rancho San Juan.

The Commission applauds staff's success in negotiating a substantial impact fee increase in the Conditions of Approval for Butterfly Village and in the proposed Development Agreement and acknowledges that this is significantly higher than the fee imposed by the City of Salinas on its developers.

Affordable Housing. Rancho San Juan is one of the largest developments ever considered by the County. It is being proposed at a time when one of the key needs in the County is to have housing affordable to County residents and the County's workforce. Given the number of impacts that have been identified in the EIR and the serious concerns expressed by members of the public regarding the potential increase in traffic, decrease in water quality and water availability and the long list of significant, unavoidable impacts, the amount of inclusionary and workforce housing required in Rancho San Juan should be at an even higher level than is proposed in the Specific Plan, and, the HYH development should at a minimum be required to provide the same level as is required elsewhere in the Specific Plan. Additional affordable housing beyond the County's current minimums would provide greater justification as benefits to be derived by the County in the Development Agreement with HYH and would provide more reasonable justification for a finding of overriding considerations for significant impacts identified in the EIR.

With respect to Butterfly Village, there is a perceived imbalance between the types of housing proposed elsewhere in the Specific Plan with what is proposed by HYH. Although there is some high density development, there are a significant number of "high end" homes which sharply contrasts with other planning areas in the SP. In addition to a higher level of deed restricted affordable housing, it is important in a new urbanist community to provide affordability by design.

In addition, the Commission believes that there should be more housing in the Specific Plan as well as in Butterfly Village that is affordable by design, that is, mixed use, higher density units rather than the many market rate units on large lots that are proposed. This would better address the County's housing needs.

The Commission also questions the advisability of leaving the decision regarding the ratio of rental versus home purchase units to a time after the Board approval of the Project. The Board has the discretion, under current ordinance, to set the ratio at the time of project approval and this would provide critical information to the public regarding the ultimate benefits of the Project.

With respect to the formation of a Community Services District, the Commission has concerns about the effects of the estimated community services district fees on the affordability of the already limited proposed affordable/inclusionary housing supply.

Finally, the economic benefit of the rental or timeshare golf villas is questionable. Additional residential housing density, especially in affordable price ranges, would be preferable.

Jobs-Housing Balance. One of the potential benefits cited for the implementation of the RSJ Project is jobs creation. The economic analysis points to the creation of additional jobs in the Specific Plan as a whole. However, the Commission is concerned that the ultimate creation of these jobs is speculative and the types of employment and salary ranges are likely to be at a low level. Unless the phasing of development in RSJ from what is proposed in the Specific Plan is significantly modified, the Project could result in further imbalance. The Commission considered alternative phasing options that attempted

to address their concerns including an amendment to the Guidelines for the ADC with respect to phasing and the following possible amendment to the RSJ Specific Plan:

After approval of the first tentative map in Rancho San Juan, no subsequent Tentative Map in the Rancho San Juan Specific Plan shall be approved that would result in a cumulative ratio of employment square footage to residential units throughout the entire Rancho San Juan Specific Plan area of less than 450 square feet per residential unit, or that would result in a cumulative ratio of commercial square footage to residential units of less than 75 square feet per residential unit throughout the entire RSJ Plan area unless the following finding can be made by the County:

The tentative map is part of a development for which a development agreement establishes a development phasing plan consistent with the overall goals and objectives of the Rancho San Juan Specific Plan, including the need to provide jobs/housing balance and meet the affordable housing requirements.

Grading/Land Form Alteration. There are approximately 4.8 million cubic yards of grading proposed to accommodate the development of Butterfly Village plus additional grading for the rest of the Specific Plan. A significant amount of this grading is required to create the golf course. Although the golf course is designed to provide flood control and to enhance groundwater recharge, the applicant needs to consider an alternative design that is less damaging to the natural environment, respects natural land forms, minimizes development on 30% slopes and reduces the overall volume of grading required.

The Commission believes that further investigation of the advisability of requiring the 5% grade limit throughout the Specific Plan should be undertaken to determine if this is justified. Modification of this requirement would reduce the total amount of grading.

Communities need open space, especially when there is high density development. Although the golf course is technically considered open space, it is created by adversely impacting the natural environment and is maintained through the use of pesticides, none of which is consistent with “sustainability” principles. Open space uses that provide for more public serving recreational uses would be preferable.

Natural Plant Communities. Mitigation Measure 5.4-8 addresses impacts to mixed native/non-native grassland habitat and the fragrant fritillary, which is listed as an endangered plant by the Fish and Wildlife Service. The first rule for addressing impacts to plant communities is to avoid development in these areas. The mitigation measure instead provides for a sequenced regime of transplanting, acquisition of off-site property that contains unprotected populations and fees to conservation programs. The success of this mitigation is speculative. The location of potential populations is in an area designated for low density housing on the HYH property. Some of this acreage (approximately 3 acres of potential habitat) should be avoided and the housing located elsewhere on the property. If it is important to retain the same number of units in Butterfly Village, then some of the estate homes could be converted to an area of greater density to achieve the same total number of units.

Water balance/water quality. The Specific Plan and the EIR indicate that there is a net savings of 43 acre feet of water per year at build-out in Rancho San Juan over the current

water use. These savings are attained through a combination of cessation of agricultural operations and maximizing the capture of runoff and recharge of reclaimed water, and it is the Commission's opinion that this is optimistic given our experience with similar proposals. Although a reduction in overall use is a benefit to the groundwater basins, it remains overdrafted and there are many questions remaining with respect to the long term availability of water supply, the water quality in the groundwater at present and impacts to existing wells both in the Plan area and vicinity. The timing of achieving this net improvement with respect to the accumulation of sufficient reclaimed water for the golf course, success in implementing conservation measures, timing of the cessation of agricultural operations as additional development proceeds and the timeframe for achieving the benefits from proposed large scale water management projects in the County remain uncertain.

The Water Balance Alternative in the EIR provides increased benefits with respect to reversing groundwater overdraft in the Salinas groundwater basins; however, the Commission also recognizes that selection of this alternative would reduce the amount of new employment that would result from the Project. Some modification to Mitigation Measure 5.10-1b and 5.10-1d for the Specific Plan that controls the types of industry that would be permitted in RSJ or that sets a cap on water use in future industries might provide greater balance between the benefit of reducing groundwater extraction and increased employment.

Impacts to Agriculture. The Commission acknowledges that the Specific Plan is designed to focus development in an area of development concentration on agricultural lands that are of less value than prime lands elsewhere in the County. However, there are lingering concerns regarding the implementation of the Specific Plan as proposed and interim impacts to ongoing agricultural operations. The Specific Plan build-out is dependent on the reduction of ongoing agricultural operations for water supply. There is also a proposed relaxation of buffers between Ag and residential properties. The Commission was concerned about the proposed Amendment to the Section 21.66.030 (Monterey County Code) regarding the elimination of buffers internal to Rancho San Juan and suggested that standard buffers should be provided on the developer's side of the property line or through the purchase of a temporary easement on adjacent agricultural lands. A temporary buffer would enable agricultural operations to continue but would also permit the orderly development within the Specific Plan in accordance with proposed land uses.

While the Planning Commission recommends rejection of the proposed Specific Plan and all related actions as discussed above, we recommend that the Board adopt a Specific Plan which addresses the concerns of the Planning Commission and specifically:

1. Is more respectful of the existing land form.
2. Reduces the number of unmitigated impacts.
3. Provides more effective traffic mitigation.
4. Provides additional affordable housing opportunities.
5. Provides more certainty that better-paying jobs than existing jobs will be created.
6. Provides more certainty of achieving a reduction in, or elimination of, the existing groundwater overdraft in the Rancho San Juan Specific Plan area.

7. Protects ongoing agricultural activities within the Specific Plan area during build out.
8. Provides sufficient time for public review.

A revision of the draft Specific Plan which incorporates these concepts, and a revised development proposal which is consistent with such a plan, would reduce environmental impacts and increase public benefits. Therefore, the Planning Commission recommends that the Board direct staff to revise the draft Specific Plan in accordance with the recommendations and request HYH to revise its development application accordingly.

DECISION

THEREFORE, it is the decision of the Planning Commission:

RECOMMENDATIONS 1-4, PASSED AND ADOPTED on this 2nd day of December, 2004, upon motion of Commissioner Diehl, seconded by Commissioner Rochester by the following vote, to-wit:

AYES: Commissioners Sanchez, Salazar, Rochester, Diehl, Wilmot, Vandever, Padilla, Hawkins, Parsons, Errea

NOES: None

ABSENT: None

RECOMMENDATIONS 5 and 6, PASSED AND ADOPTED on this 2nd day of December, 2004, upon motion of Commissioner Diehl, seconded by Commissioner Hawkins by the following vote, to-wit:

AYES: Commissioners Sanchez, Salazar, Rochester, Diehl, Wilmot, Vandever, Padilla, Hawkins, Parsons

NOES: None

ABSENT: None

ABSTAIN: Errea

Passed and adopted this 2nd day of December, 2004.

DALE ELLIS, Secretary