

MONTEREY COUNTY PLANNING COMMISSION

Meeting: July 27, 2011 Time: 10:00 a.m.		Agenda Item No.: 3
Project Description: Adopt a Resolution to Recommend Denial to the Board of Supervisors of the proposed LCP Amendments to the Carmel Area Land Use Plan and Coastal Implementation Plan, Chapter 20.146.120 (Land Use and Development Standards).		
Project Location: 24945 Valley Way, Northwest corner of Highway One and Valley Way, Carmel		APN: 009-061-002-000, 009-061-003-000, and 009-061-005-000
Planning File Number: PLN070497		Owner: Rigoulette, LLC Agent: Ed Shagen, Kevin Kane (The Widewaters Group, Inc.) Representative: Jacqueline Zischke
Planning Area: Carmel Area Land Use Plan		Flagged and staked: Yes
Zoning Designation: "MDR/2-D (CZ)" [Medium Density Residential, 2 units per acre, Design Control District in the Coastal Zone]		
CEQA Action: Statutory Exempt per CEQA Section 15265		
Department: RMA - Planning Department		

RECOMMENDATION: Staff recommends that the Planning Commission adopt a Resolution to Recommend Denial to the Board of Supervisors of the proposed LCP Amendments to the Carmel Area Land Use Plan and Coastal Implementation Plan, Chapter 20.146.120 (Land Use and Development Standards).

PROJECT OVERVIEW:

On June 29, 2011, the Villas de Carmelo project was presented to the Planning Commission for their recommendation. The proposal includes infill/redevelopment of a 46 unit condominium project on a 3.68-acre site located in the unincorporated Coastal Zone of Monterey County, bordering the City of Carmel-by-the-Sea. The development of the property, as proposed, would require amendments to the Local Coastal Program (LCP), specifically the Carmel Area Land Use Plan (LUP) and Coastal Implementation Plan (CIP). In order to accommodate the proposed density, the Carmel Area LUP and CIP must be amended to include a new land use classification that would allow high density residential uses.

The Planning Commission was presented the entire project to evaluate and make recommendations to the Board of Supervisors regarding: 1) the Local Coastal Program Amendment, 2) the EIR, and 3) the project. However, the Planning Commission did not think the LCP Amendments should be considered with the proposed project. They did not want to see the project tied to the request for an LCP Amendment. They wanted to be able to discuss the merits of an LCP Amendment separately. They determined that taking the land use component forward to the Board first before getting into the project would be appropriate. Hence, they continued the hearing on the Combined Development Permit until after a Resolution/determination was made on the LCP Amendments by the Coastal Commission.

Extensive discussion ensued with regard to affordable housing. There currently is no such density in the coastal zone, except in the North County Land Use Plan. Monterey County Inclusionary Housing Ordinance requires subdivision projects to comply with affordable housing

regulations by providing affordable housing equal to 20% of the total number of lots proposed. The 20% consists of 6% very low, 6% low and 8% moderate income units.

On July 14, 2010, the Housing Advisory Committee (HAC) considered the applicant's proposal and unanimously voted to recommend payment of an in-lieu fee. The HAC supported this approach but did state that they were interested in seeing the fee used for new or rehabilitated housing on the Peninsula. However, they acknowledged:

- 1) Constraints associated with providing water to new or expanded units.
- 2) The applicant's proposal did not address the need for housing for very low and low income households in the Planning Area.
- 3) HOA fees would be too expensive for the Moderate income Inclusionary Owners.
- 4) With the down turn of the economy, there are non-restricted for sale units affordable to the Moderate income level in the County so there may not be enough interested buyers.
- 5) A rental component could be considered for the lower income families, but would be difficult to integrate into this high end project.

The applicants have proposed an alternative to provide their fair share of Inclusionary Housing through payment of an in-lieu fee. However, compliance with the Inclusionary Housing Ordinance is required to be on-site unless the decision makers decide that another form of compliance is appropriate given the site and project characteristics and provides a greater benefit to the affordable housing needs of the area. Compliance with the ordinance is subject to recommendation of the HAC to the decision making body. Final project approval would be conditioned by the Monterey County Board of Supervisors upon recommendation by the Planning Commission.

The in-lieu fee for Inclusionary housing for this project was an issue for the Planning Commission. The Planning Commission felt a proposal for an LCP Amendment to allow higher density residential zoning in the Carmel Area Land Use Plan could create an opportunity to provide affordable on-site housing. The Commission recognized resource constraints in the Carmel Area Land Use Plan. However, given that this property is unique in that it has existing infrastructure and available water, this property has the ability to provide on-site affordable housing.

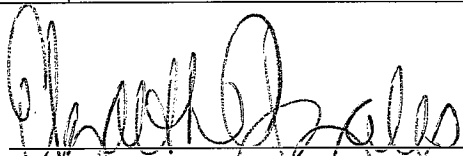
Questions raised by the Commission were: 1) What would the projected forecast for growth in Monterey County be; and 2) How many vacant lots are located in Carmel Area Land Use Plan that could potentially provide the benefit of affordable housing with a higher density residential zoning. According to AMBAG, Monterey County is expected to experience a 20 percent growth increase between 2005 and 2030 (AMBAG 2008). Specifically, unincorporated Monterey County (which includes the project area) is anticipated to experience a 7 percent growth increase (a population increase of 7,511) between the planning years of 2005 and 2030 (AMBAG 2008); Staff has attached a map showing all vacant lots the Carmel Area Land Use Plan that are located near existing public utilities (**Exhibit B**).

The Planning Commission continued the hearing the July 27, 2011 in order to adopt a resolution recommending denial of the proposed LCP Amendments to the Board of Supervisors. Commissioner Vandevere further recommended that the Commission would like to see a

broader-based analysis of introducing High Density zoning into an LCP Amendment with a requirement of an affordable housing overlay that would ensure actual construction of affordable housing into those areas designated for high density zoning. There is currently no mechanism for ensuring affordable housing under a recommended increased zoning density.

OTHER AGENCY INVOLVEMENT: The following agencies and departments reviewed this project:

✓	Water Resources Agency		California Coastal Commission
✓	Environmental Health Bureau	✓	Cypress Fire Protection District
✓	Public Works Department		Monterey County Sheriff's Office
✓	Parks Department		Monterey Peninsula Water Management District
✓	Redevelopment & Housing Office		



Elizabeth Gonzales, Associate Planner
 (831) 755-5102, gonzalesl@co.monterey.ca.us
 July 12, 2011

cc: Front Counter Copy; Planning Commission; Cypress Fire Protection District; Public Works Department; Parks Department; Environmental Health Bureau; Water Resources Agency; Housing & Redevelopment; City of Carmel-by-the-Sea; Planning File PLN070497; Rigoulette, LLC (owners); The Widewaters Group, Inc. (Applicants); Jacqueline Zischke, Applicants' Representative; Molly Erickson, Attorney; Save Our Neighborhood Coalition; and Mark Bayne.

This report was reviewed by Laura Lawrence, Planning Manager and Carl Holm, AICP, Acting Deputy Director of the Resource Management Agency.

Exhibit A Draft Resolution (LCP Amendments)
 Exhibit B Vacant Lots in the Carmel Area Land Use Plan

EXHIBIT A
RESOLUTION TO RECOMMEND DENIAL OF AMENDMENTS OF COUNTY CODE
PLN070497/VILLAS DE CARMELO

Before the Planning Commission in and for the
County of Monterey, State of California

Resolution of the Monterey County
Planning Commission recommending:

- 1) the Board of Supervisors of the County of Monterey, State of California, deny the proposed Local Coastal Plan Amendments to the Carmel Area Land Use Plan; and
- 2) the Board of Supervisors of the County of Monterey, State of California, deny the attached Ordinance to amend the Coastal Implementation Plan.

(PLN070497, Rigoulette, LLC (Villas de Carmelo) 24945 Valley Way, Carmel Area Land Use Plan (APN: 009-061-002-000, 009-061-003-000, 009-061-005-000)

Denial of Amendments to Carmel Area Land Use Plan and Coastal Implementation Plan, Chapter 20.146.120 (Land Use and Development) of the Monterey County Coastal Implementation Plan, Part 4, (Title 20 of the Monterey County Code), to allow adaptive reuse of the historic Carmel Convalescent Hospital and infill residential development came on for a public hearing before the Planning Commission on July 27, 2011. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission hereby recommends that the Board of Supervisors deny the amendments to the Carmel Area Land Use Plan and Coastal Implementation Plan with reference to the following facts:

RECITALS

1. Section 65300 et seq. of the California Government Code requires each county to adopt a comprehensive, long-term General Plan for the physical development of each county.
2. On September 30, 1982, the Board of Supervisors of the County of Monterey ("County") adopted a county-wide General Plan ("General Plan") pursuant to California Planning, Zoning and Development law.
3. Section 30500 of the Public Resources Code requires each County and City to prepare a Local Coastal Program (LCP) for that portion of the coastal zone within its jurisdiction.
4. On October 19, 1982, the Board of Supervisors adopted the Carmel Area Land Use Plan ("Land Use Plan") as part of the Local Coastal Program in the Coastal Zone pursuant the California Coastal Act. This separate mandate replaces policy guidance for most policy topics found in the General Plan and is applied in the Coastal Zone. The primary policy

topics of noise and housing (to include other minor Monterey County specific policies) are not addressed under the LCP- Coastal Act mandate, and therefore those aspects of the 1982 General Plan not covered by the Land Use Plan, are still applicable in the Coastal Zone under Planning and Zoning law.

5. On April 14, 1983, the California Coastal Commission acknowledged certification of the Carmel Area Land Use Plan ("Land Use Plan") as part of Monterey County's Local Coastal Program.
6. On January 5, 1988, Monterey County adopted the Coastal Implementation Plan (CIP) of the LCP to implement the Carmel Area Land Use Plan consistent with Section 30512.1 of the Public Resources Code.
7. Figure 1 (Land Use Plan) of the "Land Use Plan" in the Carmel Area Land Use Plan provides a graphic representation of the general distribution, location, extent and intensity of land uses and transportation routes in this planning area.
8. Pursuant to Public Resources Code sections 30000 et seq., the County may amend the adopted Local Coastal Program provided the County follows certain procedures, including that the County Planning Commission hold a noticed public hearing and make a written recommendation to the Board of Supervisors on the proposed amendment of the Coastal Implementation Plan (CIP) portion of the Local Coastal Program (LCP). Section 30514 of the Public Resources Code provides for amendments to adopted LCPs. On October 23, 1984, the Monterey County Board of Supervisors adopted procedures for amending the LCP-CIP.
9. On June 29, 2011, the Monterey County Planning Commission considered Combined Development Permit to redevelop the existing Carmel Convalescent Hospital site, generally located at the northwest corner of Highway One and Valley Way, with a 46-unit condominium project. The Combined Development Permit consists of: 1) Vesting Tentative Map to subdivide 3.68 acres into 46 condominium parcels and common open space; 2) Coastal Development Permit to convert the former convalescent hospital into nine condominium units with underground parking, recreation room, storage, and a gym; and convert existing garage/shop building into three condominium units; 3) Coastal Administrative Permit to demolish one existing structure and construct eight buildings for a total of 46 condominium units; 4) Coastal Development Permit to allow development on slopes of 30% or greater; 5) Coastal Development permit to allow the removal of 97 trees (21 coast live oak and 76 Monterey pines); and 6) Design Approval. The development of the property, as proposed, would require amendments to the Local Coastal Program (LCP), specifically the Carmel Area Land Use Plan (LUP) and Coastal Implementation Plan (CIP). In order to accommodate the proposed density, the Carmel Area LUP and CIP must be amended to include a new land use classification that would allow high density residential uses. Amendments to the Carmel Area Land Use Plan included:
 - a. *Specific Policies 2.2.4.6.* The existing forested corridor along Highway 1 shall be maintained as a scenic resource and natural screen for existing and new development. New development along Highway 1 shall be sufficiently set back to preserve the forested corridor effect and minimize visual impact. All new development on the Carmel Convalescent Hospital site shall include a landscape berm landscaping to screen the development from Highway 1.
 - b. Policy 4.4.3.E.15

The 3.68 acre Carmel Convalescent Hospital property may be developed for residential use. A maximum of 46 units may be approved. The units shall be screened from Highway 1 through implementation of a landscape plan which includes a landscape berm along the entire Highway 1 property frontage.

c. Policy 4.4.3.E.2

E. Residential

2. Medium-density residential development shall be directed to existing residential areas where urban services – water, sewers, roads, public transit fire protection, etc. – are available. The density for new-new subdivision is two units per acre except for the Portola Corporation property in Carmel Meadows and the Carmel Convalescent Hospital property adjacent to Highway 1. The 3.68 acre Carmel Convalescent Hospital property is the only property that is available to be may be developed for high density residential use subject to Policy 4.4.3E.15. As a condition of development of the Portola property, covenants must be recorded acknowledging agricultural use on the adjacent parcel and holding the owner (State) harmless for any nuisance due to the agricultural use.

d. Policy 4.5.H

H. Medium/High – Density Residential

Medium-density residential development is the primary use. The density for new subdivision is 2 units per acre, except on the Mission Ranch property where a density of 4 units per acre may be allowed subject to section 4.4.3.F.1 and, Odello (162 units) subject to section 14.4.3.F.4 and the Carmel Convalescent Hospital site where (a maximum of 46) residential units are allowed subject to Policy 4.4.3.E.15*.

- 3) Amend 3.68 acres located at 24945 Valley Way, Carmel (Assessor's Parcel Numbers 009-061-002-000, 009-061-003-000, and 009-061-005-000) in the Carmel Area Land Use Map from the existing designation of MDR/2 (Medium Density Residential/2 units per acre) to HDR/12.5 (High Density Residential/12.5 units per acre).

10. The Planning Commission did not think the LCP Amendments should be considered with the proposed project. They did not want to see the project tied to the request for an LCP Amendment. They wanted to be able to discuss the merits of an LCP Amendment separately. They determined that taking the land use component forward to the Board first before getting into the project would be appropriate. Hence, the Planning Commission continued the hearing on the Combined Development Permit until after a Resolution/determination was made on the LCP Amendments by the Coastal Commission. They also adopted a Resolution of Intent to recommend denial of the proposed LCP Amendments to the Board of Supervisors and continued the public hearing to July 27, 2011.
11. As part of the technical analysis to the LCP Amendments, the Final EIR for the Villas de Carmelo will be attached to the Resolution recommending that the Board of Supervisors deny the request to amend Monterey County's Local Coastal Program.
12. All policies of the General Plan and the Land Use Plan have been reviewed by the Planning Department staff to ensure that the proposed amendments maintain the compatibility and internal consistency of the General Plan and the Land Use Plan.
13. On June 29, 2011, the Monterey County Planning Commission held a duly noticed public hearing to consider amending the Monterey County Coastal Implementation Plan. At

least 10 days before the first public hearing date, notices of the hearing before the Planning Commission were published in both the Monterey County Herald and The Californian and were also posted on and near the property and mailed to property owners within 300 feet of the subject property. The Planning Commission adopted a Resolution of Intent to recommend denial of the proposed LCP Amendments to the Board of Supervisors and continued the public hearing to July 27, 2011.

14. This amendment is intended to be carried out in a manner fully in conformity with the California Coastal Act (Public Resources Code Sections 30512, 30513, and 30519).

DECISION

NOW, THEREFORE, the Planning Commission does hereby:

- 1) Recommends that the Board of Supervisors of the County of Monterey, State of California, deny the proposed Local Coastal Plan Amendments to the Carmel Area Land Use Plan; and
- 2) Recommends that the Board of Supervisors of the County of Monterey, State of California, deny the attached Ordinance to amend the Coastal Implementation Plan.

PASSED AND ADOPTED this _____ day of _____ upon motion of _____,
seconded by _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mike Novo, Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA AMENDING SECTION 20.146.120.B.4.a OF THE MONTEREY COUNTY CODE (MONTEREY COUNTY COASTAL IMPLEMENTATION PLAN) TO CLARIFY THE ZONING DESIGNATION IN THE COUNTY OF MONTEREY.

County Counsel Summary

This ordinance amends the Monterey County Coastal Implementation Plan, Part 4 (Regulations for Development in the Carmel Area Land Use Plan) (Chapter 20.146) to preserve the historic Carmel Convalescent Hospital and allow high-density residential development at 24945 Valley Way, Carmel (Assessor's Parcel Numbers 009-061-002-000, 009-061-003-000, and 009-061-005-000) in the Unincorporated area of Carmel, Coastal Zone

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Section 20.146.120.B.4.a of the Monterey County Code is amended to read as follows:

Medium-density residential development shall be directed to existing residential areas where urban services -- water, sewers, roads, public transit fire protection, etc. -- are available. The density for new sub-division is two units per acre except for the Mission Ranch property and the Portola Corporation property in Carmel Meadows. As a condition of development in residential areas, covenants must be recorded acknowledging the existing agricultural use on the adjacent parcel and holding the owner (State) harmless for any nuisance due to the agricultural use (Ref. Policy 4.4.3.E-2).

High Density Residential (HDR): High Density Residential areas are appropriate for a broad range of higher intensity residential uses (5-20 units/acre) and a blend of housing types. Recreational, public/quasi-public, and other uses are incidental and subordinate to the residential use and character of the area. High density use is allowed in accordance with the site-specific evaluation of resource and public facility constraints, and where urban services - i.e. public water, sewer, roads, public transit, fire protection, etc. - are available. New development in these areas is designated at densities to allow a mix of housing types, including moderate to low income housing, in order to facilitate a comprehensively planned project. Direct access from Highway One shall not be allowed, where alternative access is possible.

The Carmel Convalescent Hospital parcel is located in the Hatton Fields area of the Carmel Area Land Use Plan. This area is more urbanized in character. The property abuts the City of Carmel-by-the-Sea boundary to the north, west and south and Highway One on the east. Within the city limits, single family dwellings surround the Hospital parcel. An apartment complex, located within the unincorporated County area, is west of the Hospital parcel. Parcels in this area average from 3,000 square feet to approximately one quarter of an acre. The Hatton Fields area has generally been developed to the extent that the natural environment has been significantly altered and that the residential use is perceived as the primary use of the land. The size, density, and character of this residential area vary; capacity is available to accommodate additional residential demand. Infilling of development is encouraged. In general, this area has adequate

public services and facilities and has ready access to important commercial services located in the City of Carmel-by-the-Sea or at the mouth of Carmel Valley.

SECTION 2. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 3. EFFECTIVE DATE.

Following certification by the California Coastal Commission pursuant to Chapter 6, Article 2 of the California Coastal Act, this Ordinance shall become effective after formal adoption by the Board of Supervisors.

PASSED AND ADOPTED on this ____ day of _____ 2011, upon motion of Supervisor _____, seconded by Supervisor _____, by the following vote, to-wit:

AYES: Supervisors

NOES:

ABSENT:

Jane Parker, Chair
Monterey County Board of Supervisors

Attest:
GAIL BORKOWSKI
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
Charles McKee, County Counsel

By: _____
Deputy



Carmel Area Vacant Parcels



- Vacant Parcel
- Carmel LUP Area Boundary
- City Limit

Map Prepared by: Monterey County
Resource Management Agency, July 2011.

0 1,000 2,000 Feet

Carmel
Convalescent
Hospital

CARMEL BY-THE-SEA

Carmel Bay

