

Exhibit E
Applicants' Proposed Amendments to
Local Coastal Program June 27, '2011

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June 27, 2011

Via Hand Delivery

Paul Getzelman, Chair
and Members of the Planning Commission
County of Monterey
168 W. Alisal Street, 2nd Floor
Salinas, CA 93901

**Re: Proposed Amendments To Local Coastal Program
Villas de Carmelo**

Dear Chair Getzelman and Members of the Planning Commission:

On June 29, 2011, the Planning Commission is scheduled to consider amendments to the County's Local Coastal Program to include a high density residential designation and zoning for the Villas de Carmelo project site to support this proposed high density infill development. On behalf of our client, the Widewaters Group, Inc., (Widewaters) we request that the Planning Commission consider these proposed amendments and adopt a recommendation that these amendments be considered by the Board of Supervisors for submittal to the California Coastal Commission.

LCP Amendment Content

Widewaters initially proposed to amend the LCP adding Special Treatment language to enable High Density Residential Land Uses to occur on the subject site in accordance with site-specific policies. (See attached Exhibit A) Monterey County staff developed an alternative proposal that would create a High Density Residential (HDR) classification for the Carmel LCP to locations where development would be compatible with surrounding uses and where public services are available, and would limit such HDR designation under the LUP to the project site. (See attached Exhibit B)

A number of commentors on the DEIR expressed concern that the LCP amendment would trigger significant growth inducing impacts in the Carmel Area Land Use planning area. The Draft EIR was re-circulated with further analysis of the potential growth inducing impacts of the proposed LCP amendment. (See Chapter 5 CEQA Considerations, Section 5.1 page R5-1-3) The Coastal Commission staff commented on the LCP amendment language contained in the Recirculated Draft EIR (October 7, 2010) suggesting that:

“... the outcome of the LCP Amendment deliberations will explicitly prescribe the appropriate form of development at this location...”

The Final EIR concludes that the LCP amendments would not have significant growth inducing impacts, and that the project attributes and mitigation measures evaluated and proposed in the project EIR are consistent with the LCP and Coastal Act resource protection policies. (DEIR Table 4.9-1; RDEIR Section Pg R5-5-14, Final EIR Master Responses 10-C, 10-D and 10-E). The project applicant believes that the positive attributes could be translated into the amendment recommended to the Board of Supervisors for adoption that would more “explicitly prescribe the appropriate form of development”. We have set forth these positive attributes that render a site suitable for high density residential development into the proposed amendment language. (see attached Exhibit “C”)

We encourage the Planning Commission to recommend an amendment for adoption that: 1) incorporates the basic content and limitations recommended by staff and; 2) incorporates overall attributes of the proposed development that, in addition to rehabilitating historical resources through adaptive reuse for infill residential development using smart growth objectives, will achieve important coastal resource protection objectives.

LCP Amendment Procedure

As a procedural matter, Coastal Commission staff also commented that the LCP amendment should be processed prior to the County Board of Supervisor’s final consideration and approval of the project. The Coastal Commission staff stated in their comment as follows:

“...we recommend that the County first submit any required LCP amendment requests, and wait until after the Commission has acted on them before final consideration or action on a CDP for a project for the site....” and

“...the LCP amendment, including consideration of the broader planning context within which this project finds itself must proceed ahead of project level CDP review.”

(citing Final EIR, Section 5, Comment CC-1)

Now that the EIR consultant has completed the Final EIR analyzing the proposed LCP amendments for the proposed project, we believe that it is appropriate to move forward with

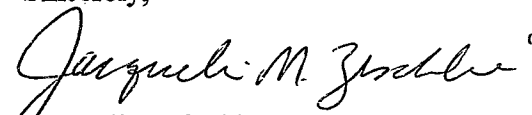
processing of the LCP amendments with the Coastal Commission at this time. Moreover, there are a limited number of amendments that the County can bring to the Coastal Commission on an annual basis, and we understand that other LCP amendments are currently being prepared for the Board of Supervisors' review and approval for submittal to the Coastal Commission in the near future.

We therefore request that the Planning Commission review the attached proposed LCP amendments and forward its recommendation to the Board of Supervisors so that such amendments may be forwarded to the Coastal Commission concurrently with the package of other LCP amendments.

Conclusion

Based on the foregoing, we respectfully request that the Planning Commission consider the proposed amendments, in the various forms contained in Exhibits "A", "B" and "C" during its June 29, 2011 hearing, and adopt a recommendation of the form of amendment that the Planning Commission considers appropriate to the Board of Supervisors. We respectfully request that the Planning Commission adopt such recommendation during the June 29, 2011 hearing so that these amendments may be brought for submittal to the California Coastal Commission at the earliest possible opportunity.

Sincerely,



Jacqueline Zischke

Encl. Exhibits A-C

EXHIBIT "A"

Applicant Initial Amendment

Carmel Area Land Use Plan

2.2.4 Specific Policies

- 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 to screen the development from Highway 1.

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 Highway 1.

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 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. 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.

F. Special Treatment

The "Special Treatment" overlay is intended to be used in conjunction with the underlying land use designation. Its purpose is to facilitate a comprehensive planned approach for specifically designated properties where a mix of uses are permitted and/or where there are unique natural and scenic resources of significant recreational/visitor-serving opportunities. Particular attention is to be given towards siting and planning development to be compatible with existing resources and adjacent land uses. Properties designated for "Special Treatment" are shown on the map following the proposed land use map. These are the Mission Ranch property, the Odello property, the frontal slopes of Palo Corona Ranch comprising of 388 acres, the Sawyer property consisting of 466 acres, and the Point Lobos Ranch which covers roughly 1,600 acres and the 3.68 acre Carmel Convalescent Hospital property. Policies governing the type and intensity of uses and the location of

development for each property are contained in the preceding sections of this chapter, but are provided in greater detail as follows:

4.4.3.F.6 CARMEL CONVALESCENT HOSPITAL SITE

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 Highway 1.

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 4.4.3.F.3 and the Carmel Convalescent Hospital site (46) residential units are allowed. Minimal parcel size will be determined upon application review. This designation is applied to the City of Cannel vicinity and to Cannel Meadows. Public/quasi-public uses (5.5.1) and densities of overnight accommodations currently in operation are permitted.

4.6 RESIDENTIAL DEVELOPMENT DENSITY

<i>Land Use Category</i>	<i>Location</i>	<i>Approx Acreage (Acres)</i>	<i>Density for New Subdivision</i>	<i>Est Max New Res. Dev. # of units</i>
Watershed Scenic Conservation				
High Density Residential	Carmel Convalescent Hospital	3.68	12.5 du/ac	46 max
ESTIMATED TOTAL NEW RESIDENTIAL DEVELOPMENT			755 (Units Max)	

EXHIBIT B

Staff Recommendation

Amendments to the Carmel Area Land Use Plan are identified below with proposed new text presented as underlines text and text to be deleted presented as strikeout text:

2.2.4 Specific Policies

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.

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.

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.

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*.

Minimal parcel size will be determined upon application review. The designation is applied to the City of Carmel vicinity and the Carmel...

4.6 RESIDENTIAL DEVELOPMENT DENSITY

<i>Land Use Category</i>	<i>Location</i>	<i>Approx Acreage (Acres)</i>	<i>Density for New Subdivision</i>	<i>Est. Max New Res. Dev # of Units</i>
<i>Watershed and Scenic Conservation</i>				
<u>High Density Residential</u>	<u>Carmel Convalescent Hospital</u>	<u>3.68</u>	<u>12.5 units Per acre</u>	<u>46 max</u>

ESTIMATED TOTAL NEW RESIDENTIAL DEVELOPMENT ***755 (units max)***

CARMEL CONVALESCENT HOSPITAL SITE:

The 3.68 acre Carmel Convalescent Hospital property may be developed for residential use at the density to allow reuse of vacated historic buildings and infill on a property next to and currently served by urban services. A maximum of 46 units may be approved. The units shall be screened from Highway 1 through implementation of a landscape plan which includes landscaping along the entire Highway 1 frontage.

VILLAS DE CARMELO PLN070497

DENSITY WORDING FOR COASTAL IMPLEMENTATION PLAN 20.146.B.4.M

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 is made up of three legal lots of record and 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 a quarter 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 had 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.

EXHIBIT C
APPLICANT PROPOSED LCP AMENDMENTS
Villas de Carmelo

Amendments to the Carmel Area Land Use Plan are identified below. Note:

- Applicant propose new text is indicated by ***bold, italicized, underlined text***
- Applicant proposed changes to staff text are indicated by ~~**bold double strikeout**~~
- Planning Dept Staff changes are indicated by ~~strikeout~~ and underline notation in regular type.

2.2.4 Specific Policies

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, including the Carmel Convalescent Hospital site, shall contribute to an overall existing forested corridor along Highway 1 using landscaping with native shrub understory and native trees include a landscape berm landscaping sufficient to screen the new development from Highway 1.

4.4.3. Specific Policies

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, and High Density Residential Development with these features shall be directed to the Carmel Convalescent Hospital site. The density for 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 4.4.3.E.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.

15. The 3.68 acre Carmel Convalescent Hospital property may be *redeveloped* for *infill* 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. Consistent with Policies 4.4.2.1 and 4.4.3.E.1, High Density Residential development of this site will encourage the adaptive re-use and rehabilitation of historical resources on this site in a manner necessary to achieve consistency with LCP policies, regulations and related guidelines. A maximum of 46 units may be approved for this site. Future development of this site shall incorporate the following characteristics:~~

- a) New development along Highway 1 shall provide landscaping to screen structures along the Highway One frontage that are visible within the scenic Highway One Viewshed depicted on Map A. Landscaping shall enhance the existing character of the scenic Highway One Viewshed depicted on Map "A" .
- b) Non-native vegetation and hazardous and diseased trees shall be removed;
- c) Water use shall be reduced in accordance with County Code Chapter 18.46;
- d) Existing and potential direct access to the site from Highway One shall be eliminated and existing substandard access from Highway One via the Valley Way/Highway One intersection shall be improved;
- e) Facilities that improve runoff water quality compared to existing conditions shall be installed in conformance with applicable RWOCB standards;
- f) Redevelopment of the site shall be compatible with the surrounding community based on the historical relationship of the site to the surrounding area. Landscaping may be incorporated to blend development with the aesthetic character of surrounding developed areas;
- g) Adaptive re-use and new development on the site shall consider potential impacts to historically significant resources and address significant adverse impacts through compliance with Secretary of Interior Standards and Guidelines .

Policy 4.5. Land Use Categories and Map

H. Medium/High – Density Residential

Medium-density residential development is the primary use. The density for new subdivision is 2 units per acre, except:

- a) 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,
- b) Odello (162 units) subject to section 14.4.3.F.4 and
- c) the Carmel Convalescent Hospital site where ~~(a maximum of 46)~~ High-density residential development, up to a maximum of 46 units, are allowed subject to Policy 4.4.3.E.15*.

Minimal parcel size will be determined upon application review. The designation is applied to the City of Carmel vicinity and to Carmel Meadows. Public/quasi public uses (5.5.1) and densities of overnight accommodations currently in operation are permitted.

4.6 RESIDENTIAL DEVELOPMENT DENSITY

<i>Land Use Category</i>	<i>Location</i>	<i>Approx. Acreage (Acres)</i>	<i>Density for New Subdivision</i>	<i>Est. Max New Res. Dev # of Units</i>
<i>Watershed and Scenic Conservation</i>				
<i>High Density Residential</i>	<i>Carmel Convalescent Hospital</i>	<u>3.68</u>	<u>12.5 units Per acre</u>	<u>46 max</u>
<i>ESTIMATED TOTAL NEW RESIDENTIAL DEVELOPMENT</i>				<i>755 (units max)</i>

CARMEL CONVALESCENT HOSPITAL SITE:

The 3.68 acre Carmel Convalescent Hospital property may be developed for residential use at the density to allow reuse of vacated historic buildings and infill on a property next to and currently served by urban services. The units shall be screened from Highway 1 through implementation of a landscape plan which includes landscaping along the entire Highway 1 frontage.—A maximum of 46 units may be approved in accordance with standards contained in LUP Policy 4.4.3.E.15.

DENSITY WORDING FOR COASTAL IMPLEMENTATION PLAN 20.146.B.4.M

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 where feasible, in order to facilitate a comprehensively planned project that:

- a) achieves desirable redevelopment to achieve consistency with LCP policies otherwise applicable to new development;
- b) protects on site significant coastal resources consistent with the policies of the LCP;
- c) does not have significant adverse effects on the surrounding neighborhoods or community character; and
- d) avoids direct access from Highway One shall not be allowed, where alternative access is possible thereby improving traffic safety and circulation and enhancing the visual quality of the scenic corridor.

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. This urbanized area North of the Carmel River is suitable for urban development and higher densities (LUP Policy 4.3.1). The property is made up of three legal lots of record, one of which and abuts the City of Carmel-by-the-Sea boundary to the north west, and two of which are adjacent to west and south 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 a quarter acre.

Historically, development and commercial uses of this property have been segregated from surrounding residential neighborhoods by the design of the site and improvements. Near the Hospital parcel, within the adjacent Carmel – By – The Sea generally between Pico Ave. and Ocean Avenue, single family dwellings have been developed on small 3,000 sq.ft lots created in the late 1800's. In this area, residential density is slightly higher than 14 du/ac. Zoning standards in this area allow substantial lot coverage and smaller side, front and rear setback: 3' and 15', respectively. More recent subdivisions in the Hatton Fields area within the surrounding unincorporated area feature

development much less attuned to smart growth principles suitable for such urban area, with density ranging from 3-9 du/ac.. An apartment complex with a density of 12.5 du/ac is located within the unincorporated County area, adjacent and southwest of the Hospital parcel.

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 is varied ~~vary~~; ranging from high density apartments situated along Highway One, to single family low and medium density development to the west. Capacity is available to accommodate additional residential demand. Infilling of development is encouraged. In general, this area had adequate schools, 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.