

Exhibit B

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EXHIBIT B

MONTEREY COUNTY DEVELOPMENT EVALUATION SYSTEM (DES)

Background

The goal of the County's *Development Evaluation System (DES)* is "to provide a systematic, consistent, predictable, and quantitative method for decision-makers to evaluate developments of five or more lots or units and developments of equivalent¹ or greater traffic, water, or wastewater intensity" for projects that are outside a Community Area, Rural Center, or Affordable Housing Overlay district. The DES is used to weight the extent to which a project meets "aspirational" General Plan policies, i.e., those that are not stated in mandatory terms (e.g., "the County should "encourage" or "consider").

Under the State planning and Zoning law, a project must be consistent with all mandatory, applicable general plan policies, and this obligation is independent of and in addition to the DES. That is, the DES is not meant to supplant the County General Plan policies but to interpret and supplement those policies in order to focus development in appropriate areas and avoid urban sprawl, traffic congestion, and water overdraft. Moreover, the DES cannot restrict the County's discretion to decline a project based on a single unmitigated impact, regardless of the passing score.

Monterey County General Plan Policy LU 1.19 mandates that the County establish the DES "within 12 months of adopting this General Plan," i.e., by October 26, 2011. Time is therefore of the essence in completing this task.

Project Overview

Policy LU-1.19 of the *2010 Monterey County General Plan* calls for the establishment of a Development Evaluation System (DES) that:

1. Provides a systematic, consistent, predictable and quantitative method for decision-makers to evaluate certain proposed developments located outside development priority areas (i.e. Community Areas, Rural Centers and Affordable Housing Overlay Districts).
2. Applies to:
 - a. Development projects that consist of five or more lots or units, and to
 - b. Development projects that contain equivalent or greater traffic, water, or wastewater intensity as a five lot or five-unit subdivision.
3. Provides a pass-fail system that quantitatively evaluates development in light of the policies of the General Plan; and

¹ "Equivalency" is when a project generates one or more of the following, based on multiplying standard outputs generated from a single family residence by 5:

- Water: 1.55 AF/year
- Wastewater: 1.55 AF/year
- Traffic: 49.5 daily trips or 18,067.5 trips per year

4. Evaluates development using the following criteria:
 - a. Site Suitability
 - b. Infrastructure
 - c. Resource Management
 - d. Proximity to a City, Community Area, or Rural Center
 - e. Mix/Balance of uses including Affordable Housing consistent with the County Affordable/Workforce Housing Incentive Program adopted pursuant to the Monterey County Housing Element
 - f. Environmental Impacts and Potential Mitigation
 - g. Proximity to multiple modes of transportation
 - h. Jobs-Housing balance within the community and between the community and surrounding areas
 - i. Minimum passing score

Exemptions

The following developments are exempt from the DES and subject to regular County environmental review:

- Subdivisions for separation of agricultural lands for estate purposes to provide individual family members a unique property to continue the existing agricultural use
- Developments of permanent affordable agricultural employee housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code.
- Developments that include a minimum of 80% permanent affordable housing.

Measurement Criteria

The developments listed above must meet all of the following criteria:

- Proposed uses incorporated in the project shall be restricted to only 1) those uses that continue agricultural use or that support, maintain, or enhance agricultural use of the property, 2) permanent affordable agricultural employee housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code, or 3) developments that include a minimum of 80% permanent affordable housing. For the purpose of this exemption and the Assurance Mechanisms, “agricultural use” is defined as cultivating crops, vineyards, or trees and/or livestock grazing.
- If the proposed use is to continue agricultural use or to support, maintain, or enhance the agricultural use of the property, acreage of lots resulting from the subdivision shall be no smaller than 10 acres or the minimum lot size for viable agricultural use, whichever is greater.
- Proposed improvements on the subject property shall be located in areas that will minimize impact on productive land.

Assurance Mechanism – The development types listed above must incorporate one of the mechanisms listed below to assure long-term compliance with the measurement criteria. Staff will work with the

applicant to determine the most appropriate mechanism to apply to the project. This determination will be based on specific elements of the project, site, and operation.

- The project shall be conditioned to record a *Deed Restriction* against the subject property and shall be zoned B-7 to limit future subdivision. The deed shall include the following:
 - Project description.
 - A clear statement indicating that future uses on the property shall be limited to 1) those that continue the agricultural use or that support, maintain and/or enhance the agricultural use of the property, 2) permanent affordable housing, which use may be facilitated by transfer to CHISPA or other affordable housing developer, or 3) housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code. Future subdivision shall only be permitted in order to accommodate permanent affordable housing or housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code.
 - A clear statement indicating that the property(ies) associated with the project are subject to the Deed Restriction for no less than 99 years.
 - A clear statement indicating that removal of any or all restrictions prior to the sunset date shall require an amendment to the discretionary permit.
- The project shall be conditioned to record a *Conservation Easement* in perpetuity against the subject property and shall be re-zoned B-7 to limit future subdivision. The easement shall include the following:
 - Project description.
 - A clear statement indicating that future uses on the property shall be limited to 1) those that continue the agricultural use or that support, maintain and/or enhance the agricultural use of the property, 2) permanent affordable housing, which use may be facilitated by transfer to CHISPA or other affordable housing developer, or 3) housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code. Future subdivision shall only be permitted in order to accommodate permanent affordable housing or housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code.
 - A clear statement indicating that removal of any or all restrictions shall require an amendment to the discretionary permit.

DEVELOPMENT EVALUATION SYSTEM (DES) PROCEDURES

Community Areas, Rural Centers and Affordable Housing Overlay districts are the top priority for development in the unincorporated areas of the County. Consistent with the requirements of the 2010 General Plan Policy LU-1.19, the Development Evaluation System was designed to identify extraordinary projects outside of those areas.

Applicability

Development outside of Community Areas, Rural Centers and Affordable Housing Overlay districts consisting of:

- Creation of five or more lots (i.e. Standard subdivisions)
- Creation of five or more units (i.e. Planned Unit Developments)
- Projects of equivalent or greater traffic, water or wastewater intensity (i.e. large commercial, industrial and agricultural facilities)

DES Components

Evaluation Questionnaire

- Systematic, consistent, predictable and quantitative evaluation method
- Projects are measured against 2010 General Plan policies

Score Sheet

- Mirrors the layout of questionnaire
- Contains the evaluation categories and scoring criteria

Evaluation Score

- Minimum passing score of 100 points

Evaluations

Planning staff will evaluate projects subject to review under Policy LU-1.19 during specific milestones in the development review and approval process, as outlined below:

Primary Evaluation

- Evaluate during the pre-application process
- Present findings at DRC
- Identify successful components
- Identify areas of improvement
- Allows applicants to modify before 100% commitment

Application Evaluation

- Re-evaluate during 30-day review
- Allows greater analysis due to additional project information
- Evaluation scores are presented to applicant as part of the project's complete letter

Post-CEQA Evaluation

- For projects subject to environmental review
- Re-evaluate after environmental review but before hearing
- Allows further analysis due to new information discovered during CEQA process

Presenting Evaluation Results to the Hearing Body

Once the final evaluation has been completed, planning staff will include the results of the scoring in the finding and evidence in the staff report to the appropriate hearing body. Also attached to the report will be the scoring sheet. A passing score does not guarantee ultimate project approval. A failing score does not guarantee ultimate project denial.

Development Evaluation System – Summary

	EVALUATION CATEGORY	ASPIRATIONAL GOAL/POLICY: GP EIR MITIGATION MEASURE	POINTS/SCORE
a	Site Suitability		Maximum 25 points
	Cluster Development Preservation of Habitat Preservation of Open Space Avoidance of Cultural Resources	<i>Goal LU-1</i> -Policy LU-1.7; LU-1.8 <i>Goal LU-5</i> - Policy LU-5.4 <i>Goal LU-8</i> - Policy LU-8.2; LU 8.4; LU-8.5 <i>Goal OS-1</i> -Policy OS-1.1; OS-1.9 <i>Goal OS-5</i> - Policy OS-5.5; OS 5.11; OS-5.13 <i>Goal OS-6</i> -Policy OS-6.5 <i>Goal OS-7</i> - Policy OS-7.5 <i>Goal OS-8</i> - Policy OS-8.4; OS-8.5 <i>Goal OS-9</i> - Policy OS-9.5 <i>Goal OS-10</i> - Policy OS-10.3	5 points for every 10% increase of open space that reduces development beyond the maximum allowable site coverage, if that open space is permanently preserved as open space and is adjacent to other off-site open space that is permanently preserved
	Infill Development	<i>Goal LU-1</i> -Policy LU-1.9	15 points if parcel is an “infill site,” as defined by CEQA Statute: § 21061.3
b	Infrastructure		Maximum 25 points
	Solid Waste Management Recycling Reuse	<i>Goal PS-5</i> - Policy PS-5.1; PS-5.2; PS-5.4; PS-5.5	1 points for every 5% of waste diversion over required 75% reduction, not to exceed 5 points
	VMT Reduction Travel Demand Reduction Flex Hours Bicycle Facilities Pedestrian Facilities Mass Transit	<i>Goal C-2</i> - Policy C-2.4; C-2.5; C-2.6; C-2.7 <i>Goal C-3</i> - Policy C-3.2; C-3.4; C-3.5 <i>Goal C-6</i> - Policy C-6.2; C-6.3 <i>Goal C-9</i> - Policy C-9.3; C-9.4 <i>Goal OS-9</i> - Policy 9.6 <i>Goal OS-10</i> -Policy OS-10.2; OS-10.4	1 points for every 1% reduction in VMT compared with baseline based on CAPCOA's VMT credit methodology from "Quantifying Greenhouse Gas Mitigation Measures" (available at http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf), section 3, Transportation,
	Underground Utilities	<i>Goal PS-13</i> — Policy PS-13.3	1 point for every 1000 lineal feet of undergrounding of existing utilities that are currently above ground, not to exceed 5 points
	Community Resources Schools/Training Health Services/Facilities Family Assistance Parks	<i>Goal PS-7</i> — Policy PS-7.2; PS-7.3; PS-7.4; PS-7.5; PS-7.6; PS-7.7 <i>Goal PS-8</i> — Policy PS-8.1; PS-8.2; PS-8.4; PS-8.5 <i>Goal PS-9</i> — PS-9.1; PS-9.2; PS-9.3; PS-9.4; PS-9.5; PS-9.6 <i>Goal PS-11</i> — Policy PS-11.4; PS-11.5	5 points for every 10% building space dedicated, constructed, and used for education, healthcare, senior center and/or daycare center, not to exceed 10 points, where there is a demonstrable and binding commitment to dedicate and construct such uses
			Minus 1 point for each additional linear 100 ft. of utility infrastructure (e.g., pipelines or transmission lines) to support water, sewer, or power; minus 5 points for a significant increase, i.e., a 25% increase, in waste water treatment plant or water supply systems

	EVALUATION CATEGORY	ASPIRATIONAL GOAL/POLICY: GP EIR MITIGATION MEASURE	POINTS/SCORE
c	Resource Management		Maximum 20 points
	Cultural Resource Conservation Voluntary Historic Designation Heritage Tourism	<i>Goal PS-12</i> – Policy OS-12.3; OS-12.6; OS-12.7	5 points for voluntary and successful application to California or National Register -or- 1 point for every 1,000 square feet of restored building areas, not to exceed 5 points
	Renewable Energy	<i>Goal PS-9</i> – Policy OS-9.1; OS-9.17	5 points for a net zero project (exclusive of transportation energy spent)
	Water Resources Water Conservation Groundwater Recharge Grey Water Systems Wastewater Reuse	<i>Goal PS-2</i> — Policy PS-2.1; PS-2.7 <i>Goal PS-3</i> — Policy PS-3.8 <i>Goal PS-4</i> — Policy PS-4.4; PS-4.11	5 points for every enforceable 50% reduction, e.g., through water reuse, of the site-specific average water demand compared to baseline, where baseline is calculated by using existing baseline water use factors such as MPWMD's typical use factors
	Voluntary Reduction of Density Voluntary reducing development potential through reducing the allowed density onsite by dedicating land through a conservation easement	<i>Goal LU-1</i> —Policy LU-1.8	5 points for every 10% of property dedicated to a conservation easement
d	Proximity to City, Community Area Rural Center		Penalty (subtract points)
		<i>Goal LU-1</i> -Policy LU-1.19	Minus 2 points for every mile from an existing Community Area or Rural Center as measured from the center of the project.
e	Mix/Balance of Uses		Maximum of 25 points
	Mixed-Use Development	<i>Goal LU-4</i> -Policy LU-4.5 <i>Goal OS-10</i> -Policy OS-10.5 <i>Goal PS-8</i> -Policy PS-8.7	5 points to development that meets the definition of mixed use in category LUT-3 at page 162 of CAPCOA's "Quantifying Greenhouse Gas Mitigation Measures" available at http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf .
	Affordable Housing Farm Worker Housing Workforce Housing	<i>Goal LU-1</i> —Policy LU-1.19	5 points for every additional 2% of low or very low income housing beyond 35% minimum required by the County's General Plan

	EVALUATION CATEGORY	ASPIRATIONAL GOAL/POLICY: GP EIR MITIGATION MEASURE	POINTS/SCORE
f	Environmental Impacts and Potential Mitigation		Penalty (subtract points)
	Physical Division of Community	Impact LU-1 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	GHG Emissions Impacts	Impact CC-1 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	Special Status Species	Impact BIO-1 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	Protected Habitats	Impact BIO-2 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	Loss of Trees	Impact BIO-4 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	Farmland Conversion	Impact AG-1 (2010 GP EIR)	Minus 10 points if impacts(s) are significant and unavoidable
	Traffic	Policy C.1.1; CVMP CV 2.17	<p>Minus 10 points if project adds trips to any County road or intersection that does not at the time of development approval attain the acceptable levels of service required by General Plan Policy C-1.1, unless the project makes a binding commitment to ensure acceptable level of service before occupancy</p> <p>Minus 10 points if project adds trips to a non-County road or intersection that does not at the time of development approval attain the acceptable levels of service required by the jurisdiction with responsibility for maintaining acceptable level of service for that road or intersection, unless the project makes a binding commitment to ensure acceptable level of service before occupancy</p>
g	Proximity to multiple modes of transportation		
	Rail Service	<i>Goal C-8</i> — Policy C-8.2	Included in VMT Reduction above
h	Jobs/Housing Balance		Maximum of 5 points
	Economic Support and Development Agriculture Commercial Industrial	<i>Goal AG-2</i> — Policy AG-2.2; AG-2.5; Policy AG-2.6; AG-2.7 <i>Goal AG-4</i> — Policy AG-4.1 <i>Goal AG-6</i> — Policy AG-6.1 <i>Goal ED-1</i> — Policy ED-1.2; ED-1.3 <i>Goal ED-4</i> — Policy ED-4.3; ED-4.4; ED-4.5; ED-4.6; ED-4J	1 point for every 10 jobs created if they are balanced with 10 residential units, up to a maximum of 5 points for 50 new jobs and 50 new residential units in the same location.
	TOTAL		Maximum of 100 points, 70 points to Pass

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