

# Exhibit D

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# Monterey County Planning Commission

## Agenda Item No. 1

Legistar File Number: PC 17-096

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November 29, 2017

**Introduced:** 11/8/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** Planning Item

### **REF120030 - DEVELOPMENT EVALUATION SYSTEM (COUNTY OF MONTEREY)**

Public workshop to:

- a. Receive a presentation updating the Planning Commission on the status of the Development Evaluation System (DES) including outcomes and recommendations from a public DES workgroup; and
- b. Provide direction to staff.

**Project Location:** County Wide

**Proposed CEQA Action:** Statutorily Exempt pursuant to Section 15262 of the CEQA Guidelines

#### RECOMMENDATION:

It is recommended that the Planning Commission:

- a. Find that this workshop is a planning study for possible future action which the commission has not approved, which qualifies as a Statutory Exemption per Section 15262 of the CEQA Guidelines;
- b. Receive a presentation updating the Planning Commission on the status of the Development Evaluation System (DES) including outcomes and recommendations from a public DES workgroup; and
- c. Provide direction to staff.

#### PROJECT INFORMATION:

**Planning File Number:** REF120030

**Owner:** County of Monterey

**Project Location:** County-wide - Inland Areas Only

**Plan Area:** Cachagua Area Plan, Carmel Valley Master Plan, Central Salinas Valley Area Plan, Greater Monterey Peninsula Area Plan, Greater Salinas Area Plan, North County Area Plan, South County Area Plan, and Toro Area Plan.

**Flagged and Staked:** N/A

#### SUMMARY:

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

The DES was discussed at a Planning Commission workshop on February 11, 2015, at which time Commissioners and members of the public were provided with an initial draft of the DES and an explanation of how the evaluation system would be incorporated into the existing procedures for processing discretionary permits. Staff also presented the Commission with potential options for analyzing subdivisions for exclusive agricultural purposes and certain projects within the Agriculture and Winery Corridor Plan area in light of Policy LU-1.19.

Due to the complexity of the DES and the limited amount of public input received during its development, the Planning Commission directed staff to conduct thorough public outreach with the intention of providing input in shaping a DES that meets the expectations of both the County and its residents. In addition, the Planning Commission directed staff to return with a clear and consistent list of qualification criteria for what constitutes a subdivision for exclusive agricultural purposes.

In response to the February 11th Workshop, staff convened a series of public workgroup meetings in late 2015 and early 2016 to work through specific questions surrounding the DES. The goal of the workgroup was to gain public input and direction to guide the refinement of specific areas of the DES. Selection of Group members was based on their previous involvement with the DES and/or their area(s) of expertise; with the goal of having a group comprised of even representation from different interests of the County. The following is a list of Group members in alphabetical order, by last name, with their respective affiliated areas of interest:

- *Lino Belli, American Institute of Architects*
- *Janet Brennan, LandWatch*
- *Dana Cleary, CHISPA*
- *Sherwood Darington, Ag Land Trust*
- *Alfred Diaz-Infante, CHISPA*
- *Dale Ellis, Refinement Group*
- *Brian Finegan, Land Use Attorney*
- *Aaron Johnson, Land Use Attorney*
- *Pam Silkwood, Land Use Attorney*
- *Juan Uranga, Center for Community Advocacy*
- *Pris Walton, Carmel Valley Association*
- *Amy White, LandWatch*

The list below provides a general overview of the topics discussed with the DES Working Group:

- What is the overall purpose and authority of the DES
- How to assign priority weighting to individual DEC scoring criteria
- When does DES apply - What is the threshold of DES applicability
- How the process works: (eg: Identifying Projects Subject to DES, Methodology, Pass/Fail, and Presentation of Final Score)
- How DES Applies to Ag Development

The group discussed these topics in both a full group setting as well as individual breakout sessions. The breakout session groups were provided with questionnaires that guided the conversation and asked each group to provide a consensus outcome. An example of these breakout questionnaires can be found as “**Attachment D**”. While unanimous agreement was not achieved in most cases, there was still a general consensus on nearly every topic. These topics and outcomes are discussed in detail in the Discussion (**Attachment A**). Each topic covered in the Discussion includes the summary of the group discussion, options created from the consensus group outcomes, and staff’s analysis and recommendation of those options to the Planning Commission.

Shortly after the conclusion of the DES Workgroup, the RMA Planning Department experienced a loss of nearly 60% of its staff. This large reduction in resources required staff to become solely focused on current planning projects rather than long-range projects. Consequently, furthering development of the DES, including acting on the input from the public workgroup was put on hold. Although still not fully staffed, RMA Planning has filled several positions and is anticipating returning to long range planning work in the beginning of 2018. The completion of the DES is a top priority for the department, and will be one of the first long range tasks to be restarted.

Staff now seeks input from the Planning Commission on topics covered in the discussion and requests direction on incorporating recommendations from the public workgroup, in order to begin working on the next draft of the DES in 2018.

OTHER AGENCY INVOLVEMENT:


As the proposed Development Evaluation System is envisioned to be an internal process for RMA - Planning to evaluate certain development proposals, the system has been developed primarily by RMA - Planning staff. However, the Bureau of Environmental Health, RMA-Public Works, and the Monterey County Water Resources Agency were consulted to determine threshold data equivalent to a five lot residential subdivision.

FINANCING:

Funding for staff time associated with review and discussion with the public relative to the DES is included in the FY2017-2018 Adopted Budget for RMA-Planning.

Prepared by: Anna V. Quenga, Associate Planner, ext. 5175  
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Reviewed by: Jacqueline R. Onciano, RMA Chief of Planning

Approved by: Carl P. Holm, Resource Management Agency Director 

Attachments:

- Exhibit A - Discussion
- Exhibit B - DES Work Group Question Summary
- Exhibit C - DES Evaluation 2 step Process
- Exhibit D - DES Breakout Group Question Summary

cc: Front Counter Copy; Planning Commission; Land Use Advisory Committees (11); The DES Focus Group: Lino Belli, Janet Brennan, Dana Cleary, Sherwood Darington, Alfred Diaz-Infante, Dale Ellis, Brian Finegan, Aaron Johnson, Pam Silkwood, Juan Uranga, Pris Walton, and Amy White; The Open Monterey Project; LandWatch Monterey County; Richard Rudisill; Rob Carver; Michael Waxer; Carl Holm, RMA Director; Jacqueline Onciano, RMA Services Manager; Wendy Strimling, County Counsel; Anna V. Quenga, Associate Planner; Brandon Swanson, Management Analyst; Planning File REF120030.

# Exhibit A

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## **ATTACHMENT A DISCUSSION**

Acting as facilitators, staff led the DES Workgroup discussions which focused on refining primary elements of the DES and areas of known concern. Most discussions resulted in an agreed outcome. However, there were situations throughout the meetings where it was clear that Group members had a difference of opinion and interpretation of LU-1.19 policy language.

The comments and discussions provided by Group members during the meetings were taken into consideration and used as a starting point for potential options for refining and further developing the DES. After concluding the Group meetings, staff continued to meet internally to discuss those options, weigh the pros and cons of each, and assess which could be most in line with intended purpose of the DES; ultimately resulting in staff's recommendation to the Planning Commission contained below in each topic of discussion.

The subtopics below explain what the Group discussed, the outcome, and how information was considered by staff. Potential options for moving forward are then identified followed by staff's recommended option and rationale. The subtopics that follow are:

1. Purpose of DES
2. Priority Weights
3. Threshold to apply DES
4. DES Process
5. Subdivisions and Developments for Exclusive Agricultural Purposes

### **SUBTOPIC 1: Purpose of DES**

Implementation of LU-1.19 and the intended purpose of the DES were discussed at the macro level during all three meetings. Just under half of the Group felt the DES was a supplemental evaluation for identifying qualities of certain developments in addition to the standard protocols for project review of discretionary permits. In other words, a "decision making tool" for the ultimate decision makers to inform their thought process. The remaining members had the opinion that in order for the DES to be useful and credible, a project applicant should have a clear expectation for their project based on their DES score; meaning the project's score should be directly related to the project's outcome. In other words, the DES should make the decision.

Staff's interpretation of LU-1.19 is that the DES is intended to be a tool serving two purposes in the discretionary decision process: allow staff an opportunity to quantitatively and constructively advise the applicant of the development's overall quality through the entire permit process and provide a tool for the hearing body to assess the critical aspects of a project.

**Potential Options** – Create a DES that 1) replaces the discretionary permit process for those projects subject to LU-1.19 or 2) is used as a tool to inform and augment the discretionary permit process.

**Recommendation** – Staff recommends Option 2. The intent and utility of the DES should be to provide an added evaluation tool for decision makers. The concerns conveyed by the Group would be addressed as long as the DES is structured in a way that facilitates consistent communication between staff and the applicant throughout the permit process. At this capacity, the applicant would be provided with an educated expectation of their project's result and how it

relates to the DES (see further discussion on “DES Process” below). This option lends to the usefulness and credibility desired by the Group as well as allowing for the discretion of decision makers.

## **SUBTOPIC 2: Priority Weights**

A key element identified to create a constructive DES is the incorporation of evaluation criteria designed to identify project components important to the County and its residents and assigning weights appropriate for that criteria’s rank in priority. At the February 11<sup>th</sup> Workshop, The Planning Commission tasked staff with determining what criteria is most important to the citizens of County. Since public input is of great value for making this determination, it was included in the Group’s discussions. Individual members were asked to assign preference weights from 1-10 on criteria by which projects should be measured. The criteria included the following:

- Site suitability
- Infrastructure
- Resource management
- Environmental impacts
- Jobs-housing balance
- Affordable housing
- Social justice and social equality

Staff tallied the individual scores and calculated the averages and median to identify the ranking (see **Attachment B**). The top four priorities in order were: 1) affordable housing, 2) infrastructure, 3) site suitability, and 4) resource management. In fact, site suitability, infrastructure and resource management achieved the same median score of 7.5; the averages were then compared to assign rank.

The Group’s rankings of criteria were similar to the weights assigned in staff’s previous DES draft presented at the workshop. Therefore, staff has determined that this would be a reasonable and appropriate starting point for establishing criteria by priority.

**Potential Options** –1) Rank the criteria as tallied from the individual Group’s members, or 2) use the Group’s input as a starting point to guide ranking.

**Recommendation** – Staff recommends Option 2. Using the Group’s input as a basis to guide assigning the overall weight for each respective category would ensure that the public’s input remains within the end product. This option also provides policy makers with a starting point from which they can consider, discuss and weigh the outcome. Input from the public, staff, and policy makers would result in a holistic approach.

## **SUBTOPIC 3: Threshold to apply DES**

### **Wastewater and Traffic Thresholds: Equivalency to a Five Lot Subdivision**

Policy LU-1.19 requires evaluation of developments of five or more lots or units *and* developments with *equivalent or greater traffic, water or wastewater intensity*. The Group

suggested that staff quantify and clearly identify these “equivalent” thresholds to allow for a consistent determination of projects subject to the DES. The Group further recommended that when a threshold analysis is performed, the project’s comparison baseline should be the condition of the site at the time of application. In consultation with subject matter experts from the Bureau of Environmental Health and RMA-Public Works, staff obtained the typical wastewater output and traffic trips generated by a single family dwelling to be able to generate a five lot equivalency. Due to complexity, the option for water demand threshold equivalency can be found just below this section.

During the development review process, the Bureau of Environmental Health determines potential wastewater impacts based on the daily loads set forth in Chapter 15.20 of the Monterey County Code. Pursuant to “Tables C and E”, the anticipated daily load for a three bedroom single family dwelling<sup>1</sup> is 300 gallons of wastewater per day.

During the development review process, RMA-Public Works refers to the Institute of Transportation Engineers Trip Generation Manual, 9<sup>th</sup> Edition when determining a project’s potential traffic impacts. This manual identifies that the standard trip generation for a detached single family dwelling is 9.52 daily trips.

These standard outputs generated by a single family dwelling were then multiplied by 5, resulting in the identified threshold numbers below:

<b>Daily Thresholds</b>		
Item	Threshold Units	Total
300 Gal of wastewater	x 5 SFD	1,500 Gal per day
9.52 daily traffic trips	x 5 SFD	47.6 daily trips

<b>Annual Thresholds</b>		
Item		Total
1,500 Gal of wastewater per day	x 365 days	547,500 Gal per year
47.6 daily traffic trips	x 365 days	17,374 trips per year

**Potential Options** – The standard threshold numbers for a 5-lot residential subdivision have been established and are consistently used by subject matter experts. Therefore, the most reasonable option would be to use the data mentioned above as a threshold. Once adopted, these thresholds should be compared to the project’s baseline, the condition of the site at the time of application.

**Recommendation** – Staff recommends that the threshold numbers mentioned above be used for determining if a project would be subject to a DES evaluation. Staff also recommends that any informational (e.g., brochures) and application forms created for the DES clearly identify this threshold information, allowing the public and staff to refer to as needed. Staff is also in agreement with the Group’s recommended baseline for comparing thresholds.

### **Water Demand Thresholds: Equivalency of a Five Lot Subdivision**

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<sup>1</sup> Based on the standard practice for development review by the Bureau of Environmental Health, the maximum daily load of a three bedroom single family dwelling is the standard measurement when analyzing estimated sewage flows for residential subdivisions.

Initially, staff assumed that the 300 gallon wastewater output could be established as the water demand threshold as the Bureau of Environmental Health utilizes this number to determine if well production for a newly created residential lot would be satisfactory. For example, if a well produces three or more gallons per minute for the duration of a 72 hour source capacity test, then it is assumed that the well would produce more than the assumed output of 300 gallons of water per day. Unfortunately, calculating water demand is much more complicated. Monterey County Water Resources Agency does not have a standard set of criteria, or water duty factor<sup>2</sup>, to determine potential water use of a project for various land uses due to the large expanse of the County's land area, multiple water basins, and different climatic situations. Therefore, when it comes to development review and determining the estimated water demand of a project, multiple methodologies could be used.

The 2013 California Plumbing Code<sup>3</sup> and Green Building Standards (CPC), adopted by Monterey County, establishes the minimum amount of plumbing fixtures required by occupancy type and the drainage fixture unit values per fixture. This information is used to determine pipe size requirements and proper design of the drainage system. Therefore, there is no recommended way to calculate the actual estimated water use. Another drawback is the minimum plumbing fixtures required by the code, which is one water closet, lavatory, bathtub or shower, kitchen sink, and automatic clothes washer per family. One could argue that the typical single family dwelling would contain a larger amount of plumbing fixtures.

The Monterey Peninsula Water Management District (MPWMD) also calculates a project's estimated water demand utilizing fixture unit counts pursuant to Rule 24. However, for residential projects this count is derived from the actual fixture type and amount that will be installed within a building. Once the total fixture count is established, it is then multiplied by the Adjusted Water Use Capacity which has a value of 0.01 acre-foot of water. Similar to the CPC, policy makers would have to determine the accepted amount of fixture counts for a typical single family dwelling in order to use MPWMD's estimated water demand.

The table below compares the estimated water demand for a three bedroom, two and one-half bath single family dwelling based on the counts established in the CPC and the WPWMD.

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<sup>2</sup> Many water districts and agencies track water use patterns for specific land uses. This data is used to calculate the average daily water demands for each type of land use, otherwise referred as a water duty factor.

<sup>3</sup> This methodology was most recently used in a Preliminary Water Demand Estimate conducted by Martin B. Feeny, Consulting Hydrogeologist for the Cachagua Bible Church (PLN140863) which established the baseline of water use utilizing Table 7-3 of the 2007 California Plumbing Code.

**California Plumbing Code**

Fixture Type	Amount	Unit Value	Count
Kitchen Sink with High Efficiency Dishwasher	1	2	2
Lavatory/Washbasin	3	1	3
Standard Tub with Shower Head	2	2	4
Ultra Low Flow Toilet (1.6 gallons per flush)	3	2	6
Laundry Sink	1	2	2
Clothes Washer	1	3	3
Bar Sink	1	1	1
Total Fixture Count			21

**MPWMD**

Fixture Type	Amount	Unit Value	Count
Kitchen Sink with High Efficiency Dishwasher	1	1.5	1.5
Lavatory/Washbasin	3	1	3
Standard Tub with Shower Head	2	2	4
Ultra Low Flow Toilet (1.6 gallons per flush)	3	1.7	5.1
Laundry Sink	1	2	2
Clothes Washer	1	2	2
Bar Sink	1	1	1
Total Fixture Count			18.6

**Total Fixture Count x Adjusted Water Use Capacity of 0.01 Acre Feet = Water Demand in Acre Feet per Year**

21 x 0.01 ac/ft = .21 acre feet year or 187 gallons per day

18.6 x 0.01 ac/ft = .186 acre feet per year or 166 gallons per day

**Potential Options** – Establish the estimated water use demand by 1) the 300 gallons per day of wastewater output utilized by the Bureau of Environmental Health, 2) the 2013 California Plumbing Code and Green Building Standards, or 3) MPWMD's fixture unit counts and Adjusted Water Use Capacity.

**Recommendation** – Staff recommends that the Planning Commission consider and discuss Options 2 and 3. As outlined below, it is clear that utilizing 300 gallons of water per day would be inappropriate as it is almost double the amount determined by the CPC and MPWMD.

Daily Thresholds		
Item	Threshold Units	Total
187 gal/day	x 5 SFD	935 gal/day
166 gal/day	x 5 SFD	830 gal/day
300 gal/day	X 5 SFD	1,500 gal/day

Annual Thresholds		
Item		Total
935 gal/day	x 365 days	341,275 gal/year
830 gal/day	x 365 days	302,950 gal/year
1,500 gal/day	X 365 days	547,500 gal/year

Therefore, staff recommends using the CPC and MPWMD data as a starting point to establish the water demand thresholds. Should the commission uphold this recommendation, staff would consult with the Water Resources Agency, MPWMD, and RMA-Building to ensure the final recommended demand threshold is consistent with all agencies.

#### **SUBTOPIC 4: DES Process**

The recommended process is based on staff's objective for creating an evaluation that is informative to the applicant and interactive between the applicant and staff; resulting in steering developments towards the General Plan's goals and policies for development outside of priority

areas. Therefore, the purpose and execution of scoring a project should coincide with the objective and desired result. To achieve this, the evaluation process and its components should be structured to facilitate an informative and interactive process for all involved parties.

The overall process should clearly communicate:

1. The standard for determining if projects are subject to the DES and where in the process that determination is made;
2. The method for a DES evaluation;
3. Passing or failure of the evaluation; and
4. How the final DES score is presented to the hearing body.

These components are numbered and discussed separately below:

#### 1a. Procedures for Identifying Project Subject to DES – Wastewater and Traffic

Although not discussed explicitly with the workgroup, establishing procedures for identifying projects with the potential to meet the LU-1.19 thresholds and determining if those projects would be subject to the DES is an essential next step. These procedures will need to be fair, consistent, and correspond with the timelines of the recommended method for evaluation.

As previously stated, LU-1.19 requires an evaluation for two different projects types outside of the priority areas:

1. Developments of five or more lots or units; or
2. Developments with equivalent or greater traffic, water or wastewater intensity to a 5-lot residential subdivision.

While the first project type could be identified early in the process based on the project description alone, the second may require additional work. In these cases, staff would compare a project's potential impacts to the recommended thresholds of a 5-lot residential subdivision early in the permit process (as detailed above).

This analysis of DES applicability could be similar to the existing application review process. Currently, County Departments have systems for determining if a project meets certain development thresholds. For example, during review of development projects, the Bureau of Environmental Health either refers to Table C<sup>4</sup> of Monterey County Code Chapter 15.20 or empirical evidence outlined in a report by a licensed professional submitted with an application to determine a project's maximum expected wastewater volume per day. RMA-Public Works either refers to the Institute of Transportation Engineers Trip Generation Manual, 9<sup>th</sup> Edition or a site specific traffic report by a licensed traffic engineer when analyzing a development's potential for traffic impacts.

#### Potential Options: Standard Evidence for Determination Wastewater & Traffic

1) Measure a development's impacts based on the project description and related impact data in Monterey County Code Chapter 15.20, Table C ("Table C"), and/or the Institute of Transportation Engineers Trip Generation Manual, 9<sup>th</sup> Edition ("Manual"); 2) measure a development's impacts based on wastewater, and/or traffic studies conducted by a licensed professional submitted by the applicant, or 3) both Options 1 and 2.

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<sup>4</sup> In addition to single family dwellings, Table C quantifies the anticipated daily wastewater loads for multiple-family dwellings, commercial, industrial, and institutional buildings.

Recommendation: Standard Evidence Wastewater & Traffic – Staff recommends that timing for measuring potential projects be early in the process as discussed above. In regards to acceptable evidence of measurement, staff recommends Option 3.

Implementation of Option 3 would be consistent with the normal course of business for development review as the impact data contained in Table C, the Manual, and a site specific impact study conducted by a licensed professional would be directly related to the type(s) and intensity of land use(s) of the proposed project. Coinciding with the recommended timing, data gathered from initial meetings with staff and evidence submitted with the DRC Application would contain relevant information sufficient for determining whether or not a project would meet or exceed the suggested thresholds.

#### 1b. Procedures for Identifying Project Subject to DES – Water Demand

As previously stated, the CPC requires minimum plumbing fixtures depending on occupancy type, which includes various non-residential land uses as well as their associated drainage fixture unit values. In addition, MPWMD calculates water demand for non-residential projects by multiplying a building's square footage by an established water factor determined by use.

Potential Option Standard Evidence for Determination Water Demand – The only potential option identified by staff is to use the same system approved for establishing the water demand threshold to identify a project's estimated water demand as early in the process as possible.

Recommendation: Water Demand – Based on the need to further explore the appropriate water demand threshold, staff recommends this procedure be finalized along with the threshold.

#### 1.c Procedure for Determination Timing

Recommendation: Staff feels the most appropriate option identified is to determine if a project is subject to the DES at the beginning of the permit process. Prior to formally submitting for a permit, applicants typically contact RMA-Planning to discuss the process, which entitlement would be required, and/or complexity of a project's components. Staff should flag projects that are clearly subject to the DES or would have the potential to meet or exceed the suggested thresholds during this initial meeting. Once the applicant is prepared to start the permit process, the project description and any supporting materials submitted with the Development Review Committee (DRC) Application should then be used to determine if the project meets or exceeds the suggested thresholds and the DES process would begin.

#### 2. Method for DES Evaluation

The Group discussed potential methods for evaluating projects based on a three-part evaluation process. During this proposed process, the initial scoring would be conducted during the Development Review Committee (DRC) meeting, then again during the 30-day project review period, and finally after an environmental review is conducted. Several Group members expressed concerns with how this could negatively impact the permit application process by burdening applicants with additional reviews in an already lengthy procedure. Staff explained that this approach yields flexibility for project modification while allowing for final evaluation when more substantial project information becomes available; resulting in a holistic evaluation through the life of a project. Issues and concerns could be identified early and at milestones in the review process allowing discussion of possible solutions to resolve those issues. This would

also allow staff to clearly communicate any concerns with the project relative to factors outside of the evaluation that may result in a recommendation of denial, regardless of the DES score.

After careful consideration of the concerns mentioned by the Group, and additional internal discussions, staff explored the potential of shortening the evaluation process while still meeting its objective for the DES. In this simplified option, projects could be evaluated through a two-step process. The initial DES review would occur during DRC, allowing staff to work with applicants to identify project areas or components that may be problematic when scored. Any recommendations provided by staff would be based on what was identified, allowing applicants to modify projects prior to formally submitting an application. Once the application has been submitted and deemed complete, the project would then be formally evaluated and scored through the DES. Subsequently, staff would meet with the applicant for a DES Consultation and present and discuss the scores, facilitating an informative and interactive evaluation. At that point, the applicant would have the choice to proceed with the application as is, or modify it prior to any environmental review.

Potential Options – Evaluate projects through 1) a three-part evaluation (DRC, 30-day review and post CEQA) or 2) a simplified two-step process.

Recommendation – Staff recommends Option 2. This recommended option addresses the concerns of the Group while providing for an informational and interactive evaluation, consistent with the recommended intent, purpose, and objective of the DES.

### 3. Pass/Fail and Score

The Group had extensive discussions on what pass/fail means, how its resulting score would affect a project as a whole, and how both are tied to the overall usefulness and credibility of the system. Through these discussions, the Group identified a need for an applicant to have some type of expectation based on their project's score, suggesting that a pass/fail score should either result in guaranteed approval/denial from the hearing body or a guaranteed recommendation of approval/denial from staff. Also discussed was the potential for the appropriate hearing body to disagree with the score presented by staff. The Group suggested that in those cases, the hearing body should provide applicants with reasons why they disagree, where they see the project can improve, and then allow a redesign of the project to potentially raise their score.

Projects subject to the DES would still be subject to the discretionary permit review process, requiring ultimate approval or denial by the appropriate authority at a public hearing. This makes the concept of the DES resulting in a definite decision problematic. Not only would a guaranteed outcome based on score take discretion away from the decision makers, but it would move that approval down to the staff level, which is inappropriate in a discretionary review process. The purpose of the discretionary permit process is to allow the promotion and protection of public health, safety, peace, morals, comfort, convenience and general welfare of the people of Monterey County, while respecting and preserving the development rights of property owners. Therefore, staff suggested that due to the discretionary nature of the permit process, the pass/fail score should not guarantee a result 100% of the time. Instead, the score should be used as an additional informative tool in the discretionary process to assist the hearing body in their ultimate decision. In addition, this process provides the hearing body with the discretion to uphold staff's recommendation or not.



The Group's discussion also focused on what percentage of total score after applying the DES should be the minimum threshold for "passing". There was an overwhelming consensus from the Group that 70% would be the most appropriate threshold for passing.

Potential Options: Meaning of Pass/Fail – 1) Projects that pass the DES would be approved by the hearing body and projects that fail would be denied, 2) staff would always recommend approval of projects that pass the DES and denial for those that fail, or 3) the hearing body would consider the score presented by staff, the analysis conducted during the DES evaluation of the project, and all other project components as part of the complete decision making process.

Recommendation: Meaning of Pass/Fail – Option 3. Staff recommends this option as a project's DES score should not be the singular basis for approval/denial or recommendation of approval/denial. While it could be assumed that in most cases a passing score would result in a recommendation of approval from the staff, the discretionary review process contains many variables resulting in a review and recommendation from staff that is similar to the decision making process discussed above. As a result, staff cannot assure that every project passing the DES would be recommended for approval and vice versa. Furthermore, staff's interpretation is that the intent and purpose of the DES is to have a focused evaluation resulting in identifying the overall quality of a project and an evaluation is an appropriate augment to the permit review process, not a replacement. To ensure that project applicants are made aware of this, staff also recommends that this information is included as a narrative contained in a foreword or overview attached to the DES form/application.

#### 4. Presentation of Final DES Score

The Group had concerns with providing the hearing body with only a project's percentage score and how that would not be sufficient information for decision makers. Therefore, the Group suggested that the hearing body also be provided with a narrative analysis of how a score was achieved.

For a comprehensive DES process, presentation of a project's final score should reflect the purpose and intent of the evaluation. Therefore, staff agrees that the hearing body should be provided with enough information that shows the work that took place and to tell the story of how a project evolved through the DES process. This would support staff's recommended purpose and objective of the DES: an informative and interactive tool to assess critical aspects of a project for all parties involved.

Proposed Options: Presentation of Score – Provide the hearing body with: 1) the project's numerical score or 2) the project's numerical score, a narrative explaining the analysis and outcome of the evaluation, and the final DES score sheet.

Recommendation: Presentation of Score – Option 2. A project's numerical score and explanation of the analysis and outcome would be contained in the hearing body staff report and/or draft resolution. This information would also be supported by the final DES score sheet incorporated into the report as an attachment. This option is consistent with staff's recommended intent, purpose and objective of the DES and its process as it provides the hearing body with how a project has been evaluated, in light of the General Plan goals and policies. Although staff may discuss evaluation of the project from start to finish within the narrative, the final score

presented to the hearing body for consideration would be based on the project's most recent evaluation.

## **SUBTOPIC 5: Subdivisions and Developments for Exclusive Agricultural Purposes**

### **Defining Criteria - Subdivisions and Developments for Exclusive Agricultural Purposes**

During the February 11, 2015 Planning Commission workshop, staff presented three options to address subdivisions for exclusive agricultural purposes and agriculture and winery related developments in the Agriculture and Winery Corridor Plan (AWCP) area that could be subject to a DES review. However, for the commission to be able to fully consider these options, staff was directed to more clearly define these types projects. Therefore, staff included this topic within the Group's discussions.

The entire Group felt strongly that criteria established identifying subdivisions and/or developments for exclusive agricultural purposes must always contain an "if/then" assurance mechanism. Therefore, not only would a project need to be one of the specific development types recognized, but it would also need to include one of the approved assurance mechanisms to be considered. This would ensure that the resulting land use maintain that specific agreed upon use in perpetuity.

The list below identifies three major components that agriculturally related projects would have to meet in order to be considered: a) development type, b) measurement criteria, and c) assurance mechanism.

- a) *Development Types*** – The following are the identified exclusive agricultural development types:
- Subdivisions for the separation of existing vineyard/crop land(s) from an existing winery/processing facility.
  - Subdivisions for the separation of different varietals, crops, or orchards for finance and/or lending purposes.
  - Subdivisions for the separation of existing lands farmed by owners from lands farmed by lessees.
  - 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 long-term affordable housing exclusively for agricultural employees as defined in Section 50517.5(g)(1) of the California Health and Safety Code.
  - The following predetermined agricultural and winery uses within the Agriculture and Winery Corridor Plan (AWCP) area:
    - Artisan Wineries
    - Full-scale Wineries
    - Winery Tasting Rooms
    - Food Service Facilities such as Restaurants and Delicatessens
    - Inns
    - Creation of a five-acre lot pursuant to Section 3.5 of the AWCP

- b) *Measurement Criteria*** – The development types listed above must meet the following criteria:
- Acreage of lots resulting from the subdivision is equal or greater than the minimum lot size for viable agricultural use<sup>5</sup> and as prescribed by zoning.
  - Proposed uses incorporated in the project are restricted to only those that support, maintain and/or enhance the existing viable agricultural use of the property.
  - Proposed improvements on the subject property are located in areas that will have minimal impact on productive land.
  - The development type in the AWCP does not exceed the facility limitations prescribed by the AWCP.
- c) *Assurance Mechanism*** – The development must incorporate one of the mechanisms identified below to ensure that the resulting land use is maintained in perpetuity. 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 include a *General Development Plan* to address the long range development and operation of the facilities on the property. The following components, as applicable to the project, shall be covered under the plan:
    - Project description.
    - A clear statement indicating that lot sizes resulting from future subdivisions shall be equal or greater than the minimum lot size for viable agricultural use.
    - A clear statement indicating that future uses on the property shall be limited to those that support, maintain and/or enhance the existing viable agricultural use of the property.
    - A clear statement indicating that the General Development Plan will be held in place for the life of the permit.
    - A clear statement indicating removal of any or all restrictions shall require an amendment approved by the original hearing body that approved the discretionary permit. Substantial modification to the General Development Plan may result in requiring an amendment to original discretionary permit and/or evaluation through the DES.
  - The project shall be conditioned to record either a *Deed Restriction* or a *Conservation Easement* against the subject property. The deed or easement shall include the following:
    - Project description.
    - A clear statement indicating that lot sizes resulting from future subdivisions shall be equal or greater than the minimum lot size for viable agricultural use.
    - A clear statement indicating that future uses on the property shall be limited to those that support, maintain and/or enhance the existing viable agricultural use of the property.
    - A clear statement indicating that the property(ies) associated with the project are subject to the Deed Restriction or Conservation Easement for the life of the permit.

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<sup>5</sup> Minimum parcel size as identified in Government Code 51222: 10 acres for prime agricultural land and 40 acres for not prime agricultural land.

- A clear statement indicating that removal of any or all restrictions prior to the sunset date shall require an amendment to the discretionary permit.

Proposed Options – Use the identified development types, measurement criteria and assurance mechanisms discussed above, 2) go back to the list provided to the Planning Commission on February 11, 2015, or 3) analyze each subdivision for exclusive agricultural purposes and agriculture and winery related development in the AWCP area separately without a set of criteria.

Recommendation – Staff recommends Option 1 as it includes a clear list development types supported by a set of criteria for the proposed use followed by an additional measure, assurance mechanism, requiring the development maintains that criteria.

### **DES Applicability - Subdivisions and Developments for Exclusive Agricultural Purposes**

Once the criteria identifying subdivisions for exclusive agricultural purposes and agriculture and winery related development in the AWCP areas (“identified agricultural development”) have been established, the next step would be for policy makers to consider options for how these Ag developments relate to the DES. During the February 11, 2015 Planning Commission workshop, staff introduced three potential options: a) find these projects exempt, b) create and subject these projects to an agriculture-focused DES, or c) subject these projects to the standard DES.

- a) Exempt from DES: As evidence to support an possible exemption, staff first looked to state law. Government Code Section 65300.5 requires internal consistency within a general plan and states that each element has an equal legal status. Thus each element and policy of Monterey County’s General Plan must be consistent and read in conjunction with one another. Considering this information, staff analyzed implementation of policy LU-1.19 in light of consistency with the General Plan and presented the results of that analysis to the commission at the February Workshop.

In summary, staff presented that the goal of LU-1.19 was to prevent approval of urban-like developments outside of priority areas that are of low quality and have no interconnectivity with the surrounding area. At face value, agricultural development could be in opposition to that policy. Therefore, criteria for agricultural development was crafted to ensure projects would continue to support the agricultural use of the land. The General Plan Agricultural Element contains policies that promote and support the continued use and conservation of viable agricultural lands by limiting subdivisions on lands designated as Farmland to only those for exclusive agricultural purposes, streamlining permits for agriculture activities, and allowing housing facilities for family members and/or employees in order to provide an economic benefit to the agricultural operation. Specific development of agricultural and winery related uses and their impacts were analyzed, planned, and anticipated during preparation of the AWCP resulting in a governing document that guides developments in promoting and conserving viable agricultural land in that particular area. The General Plan EIR analyzed impacts of the loss of important farmland in conjunction with development policies. Several land use policies were identified as mitigation measures, that when implemented, would avoid and minimize adverse impacts on conversion of Important Farmland to non-agricultural uses. However, implementation of policy LU-1.19 was not listed as one.

- b) Ag-focused DES: The commission also discussed the option of creating an agricultural-focused DES as there would be a high probability for the identified agricultural development to fail the standard DES due to the meticulous scrutiny needed for urban-like developments. Unfortunately, creation of a separate DES would have the potential to conflict with LU-1.19 as the policy calls for a *consistent* method to evaluate development. For example, would evaluation of two different projects in the same area by different criteria be considered a consistent evaluation method? An argument could be made that this would not, resulting in an unfair procedure.
- c) Standard DES Process: The third option, applying all projects to the standard DES, could be the simpler policy decision as LU-1.19 does not specifically list the identified agricultural development as exempt from DES review. However, staff and policy makers have pointed out that during preparation of the General Plan and crafting of LU-1.19, it was never intended that those agricultural developments be subject to the DES. In fact, during the February 11<sup>th</sup> workshop, Commissioner Jay Brown stated that same argument. In addition, for reasons explained in the above paragraph supporting an exemption, this option would have the potential to be inconsistent with the General Plan Agricultural Element and state law.

Potential Options – 1) Find subdivisions for exclusive agricultural purposes and agriculture and winery related development in the AWCP area exempt from the DES, 2) create and subject these projects to an agriculture-focused DES, or 3) subject these projects to the standard DES.

Recommendation – Option 1. Finding subdivisions for exclusive agricultural purposes and agriculture and winery related development in the AWCP area exempt from the DES would be consistent with the purpose and intent of Policy LU-1.19, the General Plan Agricultural Element, the General Plan EIR, and state law. Furthermore, the identified agricultural development recommended to be exempt would be limited to those that can clearly show (through measurement criteria and assurance mechanisms) support of the continued use and conservation of viable agricultural lands and/or meet the objectives of the AWCP.

### **Recommended Actions for the Planning Commission**

The table below provides an overall summary of the discussion above, providing a quick glance at specific issues or topics discussed and staff's recommended option.

ISSUE/TOPIC	STAFF RECOMMENDED OPTION
Purpose of DES	Tool for Decision Maker
Priority Weights	Use Group Input to Guide Ranking of Criteria
Equivalency of 5-lot Subdivision	Use Identified Thresholds
DES Process	<ul style="list-style-type: none"> <li>• Identify Projects Subject to the DES Prior to Permit Application</li> <li>• Use Standard Review Practice for Determining Thresholds</li> <li>• 2-step DES Evaluation</li> <li>• Only Pass/Fail Criteria is Water</li> <li>• Tell the Complete Story When Presenting DES Score to Decision Makers</li> </ul>
Criteria for Exclusive Agricultural Purposes	Use the identified development types, measurement criteria, and assurance mechanisms.

DES Applicability Exclusive Agricultural Purposes	Find the Identified Agricultural Development Exempt
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Based on staff's recommendations, below is a summary of proposed next steps. Staff would propose to return to the Planning Commission in mid-2018 with the following items:

Staff's Recommendation	Return to the Planning Commission with:
Establishing the DES as a tool to augment the permit process.	Draft DES informational materials, applications, and forms that includes a purpose statement.
Using the Group's input for evaluation criteria as a starting point to develop DES ranking.	A rough draft evaluation utilizing the Group's input on criteria or provide a reasonable explanation if that input is not used.
Using the recommended thresholds for wastewater and traffic.	Draft DES informational materials, applications, and forms that clearly outline wastewater and traffic thresholds.
Considering the CPC and MPWMD's fixture counts to determine the estimated water use threshold and the process for identifying projects subject to the DES.	Recommendations for estimated water use thresholds and the process for identifying projects subject to the DES (in terms of water use).
Considering a DES process that incorporates: <ul style="list-style-type: none"> <li>o Procedures for identifying projects subject to the DES</li> <li>o A two-step method for evaluating projects</li> <li>o Water as the only pass/fail criterion</li> <li>o Pass/fail score used to assist decision makers with approval or denial of project</li> <li>o Presenting the hearing body with the complete analysis of a project, not just the final DES score</li> </ul>	Draft DES informational materials, applications, forms, and procedures that clearly outline this process.
Considering the identified development types, measurement criteria, and assurance mechanisms to define Exclusive Agricultural Development.	Draft procedures for identifying this development.
Considering Exclusive Agricultural Development exempt from DES review.	Draft procedures for identifying exempt projects.

# Exhibit B

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## DES Working Group - Individual Questions Summary

### 1. Priority Weights

General Plan Policy No. LU-1.19 requires the establishment of a Development Evaluation System (DES) to provide decision makers with a systematic, consistent, predictable and quantitative method to evaluate certain projects located outside of top priority areas (Community Areas, Rural Centers and designated Affordable Housing Overlay Districts) using specific criteria. Assigning weights to the individual criteria is an important step in creating the system as it identifies what protection measures or design techniques are priority for the County. Please scale each criteria by importance, from 1 to 10. During this task, please keep in mind the different areas in the County which projects can be located as well as the different type of projects that could be evaluated.

	<i>Participant A</i>	<i>Participant B</i>	<i>Participant C</i>	<i>Participant D</i>	<i>Participant E</i>	<i>Participant F</i>	<i>Participant G</i>	<i>Participant H</i>	<i>Participant I</i>	<i>Participant J</i>	<i>Participant K</i>	<i>AVERAGE</i>	<i>MEDIAN</i>	<i>RANKING*</i>
<b>a. Site Suitability</b> (i.e.: Fits in/enhances the surrounding area, affordable housing projects located in proximity to public transportation, etc.)	8	10	9	7	5	3	10	1	8	6	7	6.7	7.5	3
<b>b. Infrastructure</b> (i.e.: The project is in proximity to existing infrastructure, provides alternative transportation, emergency service is readily available, etc.)	5	8	7	8	5	9	5	1	10	10	9	7.0	7.5	2
<b>c. Resource Management</b> (i.e.: Use of renewable energy, water conservation, groundwater recharge, protect scenic, biological or other important resources in the surrounding areas.)	8	7	10	6	5	4	8	1	9	8	6	6.5	7.5	4
<b>d. Environmental Impacts</b> (i.e.: Low potential for the project to have significant impacts to the environment.)	3	7	7	6	5	7	9	4	8	6	6	6.2	6.5	6
<b>e. Jobs-housing Balance</b> (i.e.: Jobs are located in proximity to housing and visa versa.)	10	10	10	6	5	4	4	2	8	10	7	6.9	7.0	5
<b>f. Affordable Housing</b> (i.e.: Affordable housing provided exceeds the required percentage.)	5	10	10	10	5	10	3	10	8	10	9	8.2	10.0	1
<b>g. Social Justice and Social Equality</b> (i.e.: Community resources are provided ancillary to the project and/or affordable housing is integrated with market rate housing.)	1	6	5	8	5	⊗	3	10	7	8	5	5.8	6.0	7

## DES Working Group - Individual Questions Summary

### 2. Environmental Impacts

As part of the DES, General Plan Policy No. LU-1.19 requires projects to be scored in relation to its potential environmental impacts. Please scale each environmental impact by importance, from 1 to 10. (Please note the consideration of 'significant')

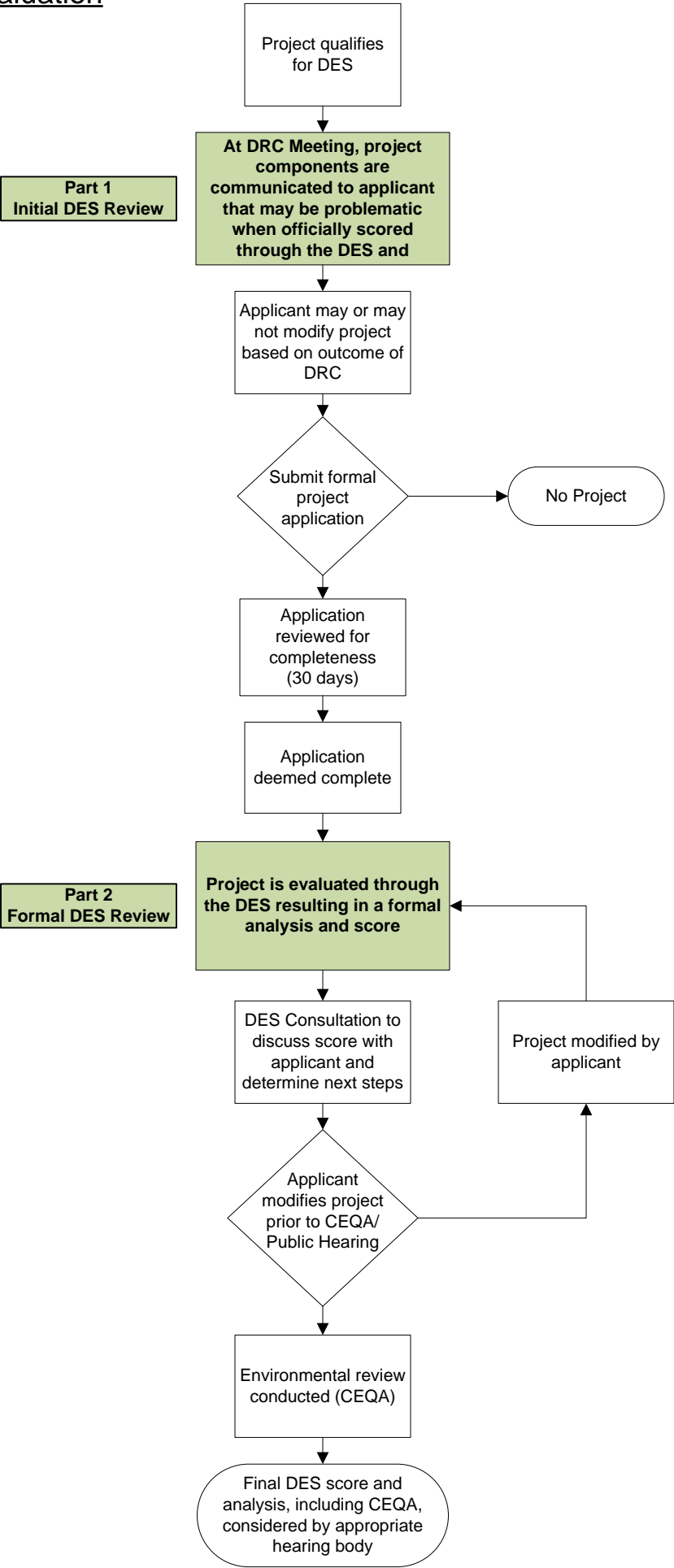
	<i>Participant A</i>	<i>Participant B</i>	<i>Participant C</i>	<i>Participant D</i>	<i>Participant E</i>	<i>Participant F</i>	<i>Participant G</i>	<i>Participant H</i>	<i>Participant I</i>	<i>Participant J</i>	<i>Participant K</i>	<i>AVERAGE</i>	<i>MEDIAN</i>	<i>RANKING*</i>
a. Greenhouse gas emissions	1	6	7	6	5	2	3	2	7	10	3	4.7	5.5	4
(i.e.: Will the project generate greenhouse gas emissions, direct or indirect, that may potentially cause a <u>significant</u> impact?)														
b. Special status species	3	9	3	5	5	5	4	2	8	8	5	5.2	5.0	5
(i.e.: Will the project have a potential <u>significant</u> impact to biological species listed and protected by the Federal and/or California Endangered Species Act?)														
c. Protected habitats	5	7	5	6	5	4	7	1	8	7	5	5.5	5.5	3
(i.e.: Will the project have a potential <u>significant</u> impact to protected habitats such as (but not limited to) sensitive natural communities, riparian habitat, and/or wetlands?)														
d. Farmland conversion	5	9	10	6	5	5	8	4	10	10	5	7.0	7.0	1
(i.e.: Will the project result in the conversion of prime farmland, unique farmland or farmland of statewide importance?)														
e. Traffic impacts	5	10	3	6	5	9	6	5	9	10	5	6.6	6.0	2
(i.e.: Will the project result in a <u>significant</u> decrease in traffic efficiency?)														

\*'RANKING' was determined by highest MEDIAN score. In cases of a tie, AVERAGE score was used to determine the most preferred option.

# Exhibit C

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Attachment C:  
Method for DES Evaluation



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# Exhibit D

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## DES Working Group - Breakout Group Consensus Outcomes

### 1. Pass/Fail System

Projects will be scored as part of the DES evaluation process. Therefore, a threshold for a minimum passing score must be established. For each of the percentages listed below, please indicate how appropriate you feel each one would be as a passing score.

	Focus Group Outcomes			Majority Achieved?	
	A		C D	Y/N	Outcome
a. Would 50% out of 100% be appropriate for passing?	↓		↓ ↓	Y	NOT ACCEPTABLE
b. Would 60% out of 100% be appropriate for passing?	↓		↓ →	Y	NOT ACCEPTABLE
c. Would 70% out of 100% be appropriate for passing?	↑		↑ ↑	Y	ACCEPTABLE (Most Preferred)
d. Would 80% out of 100% be appropriate for passing?	→		↓ →	Y	ACCEPTABLE (Least Preferred)

## DES Working Group - Breakout Group Consensus Outcomes

### 2a. Subdivisions for Exclusive Agricultural Purposes - Criteria

The preservation and enhancement of agriculture in the County is of great importance. Therefore, the need for "special handing" of subdivisions for exclusive agricultural purposes has been identified as a priority. Subdivisions for these purposes allow continuation of the preservation and long-term support of existing agricultural operations. In order to clearly and consistently identify those types of projects, qualifying criteria need to be established. Are the following scenarios appropriate for inclusion on the list of qualifying criteria?:

	Focus Group Outcomes				Majority Achieved?	
	A		C	D	Y/N	Outcome
a. Separating vineyard/crop land from the Winery/processing facility	→		→	↑	Y	ACCEPTABLE
b. Separating different varietals, crops or orchards for lending purposes	→		→	↑	Y	ACCEPTABLE
c. Separating lands farmed by owners from lands farmed by lessees	→		→	→	Y	ACCEPTABLE
d. Separating for "Estate purposes" so individual family members have a unique property to continue the agricultural use on their own terms	→		↓	↑	N	<b>DISCUSS:</b> Group 'C' would like to delete "on their own terms". Group 'A' concerned about # of parcels (5 or more)

## DES Working Group - Breakout Group Consensus Outcomes

### 2b. Subdivisions for Exclusive Agricultural Purposes - Continuing Agricultural Use

Question 3a addressed establishment of qualifying criteria of subdivisions for exclusive agricultural purposes. Once the subdivision has been granted, it is important to ensure that the qualifications remain intact as approved. Are the following mechanisms appropriate for ensuring subdivided agricultural lots maintain their qualification once granted?

a. Deed restriction

(i.e.: Projects granted a subdivision will be conditioned to record a deed restriction against the subject property.)

Focus Group Outcomes				Majority Achieved?	
A		C	D	Y/N	Outcome
↓*		→	→	Y	ACCEPTABLE

\*DISCUSS: Group 'A' felt all three options were deal breakers, discuss reasons and any suggestions for alternatives (split 2-1 on letter 'c.')

b. Conservation easement

(i.e.: Projects granted a subdivision will be required to record a conservation easement on the subject property.)

↓*		↑	→	Y	ACCEPTABLE
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c. General development plan (GDP)

(i.e.: A GDP will be adopted as part of the project approval and will address current conditions as well as long range plans for facilities and operations on the property.)

↓*		→	↑	Y	ACCEPTABLE
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## DES Working Group - Breakout Group Consensus Outcomes

### 3. Environmental Impacts

General Plan Policy No. LU-1.19 requires projects to be scored in relation to its potential environmental impacts. Are the specific impacts below appropriate for scoring projects which are subject to the DES? (Please note the consideration of 'significant')

a. Greenhouse gas emissions

(i.e.: Will the project generate greenhouse gas emissions, direct or indirect, that may potentially cause a significant impact?)

Focus Group Outcomes				Majority Achieved?	
A		C	D	Y/N	Outcome
↑		↑	↑	Y	ACCEPTABLE

b. Special status species

(i.e.: Will the project have a potential significant impact to biological species listed and protected by the Federal and/or

↑		↑	↑	Y	ACCEPTABLE
---	--	---	---	---	------------

c. Protected habitats

(i.e.: Will the project have a potential significant impact to protected habitats such as (but not limited to) sensitive natural communities, riparian habitat, and/or wetlands?)

↑		→	↑	Y	ACCEPTABLE
---	--	---	---	---	------------

d. Farmland conversion

(i.e.: Will the project result in the conversion of prime farmland, unique farmland or farmland of statewide importance?)

↑		↑	↑	Y	ACCEPTABLE
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e. Traffic impacts

(i.e.: Will the project result in a significant decrease in traffic efficiency?)

↑		↑	↑	Y	ACCEPTABLE
---	--	---	---	---	------------