



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 16-944, **Version:** 1

PLN130447 - Pebble Beach Company (Pebble Beach Inclusionary Housing Project)

Public hearing to consider action on an appeal by Del Monte Neighbors United from the June 8, 2016, decision of the Planning Commission to certify the Final Environmental Impact Report and approve a Combined Development Permit to allow the construction of 24 affordable housing units and manager's office, removal of 725 trees, and associated grading;

Proposed CEQA Action: Certify an Environmental Impact Report for the Pebble Beach Company Inclusionary Housing Project.

Easterly of SFB Morse Drive and south of Ortega Road, Pebble Beach, Greater Monterey Peninsula Area Plan.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution (**Attachment B**) to:

- a. Deny the appeal by Del Monte Neighbors United from the June 8, 2016, decision of the Planning Commission to certify the Final Environmental Impact Report and approve a Combined Development Permit to allow the construction of 24 affordable housing units and manager's office, removal of 725 trees, and associated grading;
- b. Certify the Final Environmental Impact Report for the Pebble Beach Company Inclusionary Housing Project;
- c. Adopt CEQA findings and a Statement of Overriding Considerations;
- d. Approve the Combined Development Permit (Pebble Beach Company/PLN130447) for 24 affordable housing units and manager's office, removal of 725 trees, and associated grading, based on the findings and evidence, and subject to forty-seven (47) conditions of approval; and
- e. Adopt the Mitigation Monitoring and Reporting Plan.

PROJECT INFORMATION:

RMA-Planning File Number: PLN130447

Owner/Applicant: Pebble Beach Company

Project Location: Easterly of SFB Morse Drive and south of Ortega Road, Pebble Beach (non-coastal area)

APN: 008-041-009-000

Zoning: Medium Density Residential

Parcel Size: 13.2 Acres

Plan Area: Greater Monterey Peninsula Area Plan

Flagged and Staked: Yes (prior to DMF LUAC meeting on October 3, 2013); not currently flagged and staked due to vandalism.

SUMMARY:

Pebble Beach Company (PBC) proposes to build 24 affordable housing units on a vacant site within the County's non-coastal area subject to the Greater Monterey Peninsula Area Plan. This project would satisfy the inclusionary housing requirement of the Pebble Beach Company build-out project (Condition 18 of Monterey County Board of Supervisors' Resolution No. 12-149, as amended by Resolution No. 14-024). The development footprint would cover 2.7 acres of the 13.2 acre site, with the remaining 10.5 acres set aside as

permanent open space. Development would include four buildings, each with six apartment units, and a manager's office in a separate building.

On June 8, 2016, the Monterey County Planning Commission voted unanimously (6 - 0) to certify the Final EIR, adopt the CEQA findings and Statement of Overriding Considerations, approve a Combined Development Permit to allow the proposed development, and adopt a Mitigation Monitoring and Reporting Plan (Resolution No. 16-014; **Attachment D**).

An EIR was prepared for the project, finding that all potential impacts can be mitigated to a level of less than significant except traffic and water. Traffic and water are identified as significant unavoidable impacts. The Pebble Beach Company Concept Plan assessed traffic impacts, including 18 units of affordable housing at a different location. As part of the Concept Plan mitigation and in coordination with local agencies (TAMC, County, City of Monterey), PBC agreed to pay one lump sum, exceeding their fair share, toward completing the Holman Highway intersection improvement rather than paying multiple smaller amounts toward various transportation projects that may never get adequate funding. The Planning Commission agreed that this satisfies the PBC traffic mitigation obligation for this affordable housing project.

The proposed project's water demand would represent an increase in water use compared to existing conditions. The EIR discloses that while the new water demand would be within the applicant's current water entitlement and the project could be legally supplied with water by Cal-Am, regional water supplies are uncertain. Cumulative water demand on the Monterey Peninsula exceeds Cal-Am's current legal water supply, requiring new regional water supplies to be developed. Thus, servicing the project could intensify regional water shortages until a regional water supply project is built. Mitigation is not feasible because any additional mitigation would be disproportionate to the impact of the project. For this reason the project was found to have a significant impact on water.

To approve the project, the Board must, pursuant to CEQA, adopt a Statement of Overriding Considerations to identify why the project should be approved even with significant impacts. Benefits associated with this project include providing affordable housing in proximity to employment for the people who work in Pebble Beach, providing affordable housing in an area with high market rents and shortage of affordable housing, the preservation of the forested environment onsite, and preservation of 8.4 acres of Monterey Pine Forest on the Old Capitol Site. At the June 8, 2016, Planning Commission hearing the applicant agreed to dedicate the entire parcel as mitigation for Monterey pine forest (see Condition 31). The draft resolution (**Attachment B**) presented for the Board's consideration lists these benefits of the project and finds that the benefits outweigh the significant unavoidable environmental impacts identified in the EIR.

There was significant opposition to this project during the review of the DEIR and at the Planning Commission hearing. On June 20, 2016, an appeal was filed by Del Monte Neighbors United (Appellant). Due to the Board's August recess, Appellant and Applicant agreed to the August 23, 2016, hearing date. The appeal challenges the Planning Commission's certification of the Final EIR and approval of the Combined Development Permit, and contends that the decision by the Planning Commission was not supported by the evidence and was contrary to the requirements of law set forth under CEQA. The full text of the Appellant's contentions is included in the Notice of Appeal (**Attachment C**).

The Appellant raised three specific issues: the Planning Commission's findings relative to Alternatives, alleged segmentation of environmental review between the project and the build out project, and the significance of impacts to Monterey pine forest and habitat. Staff has provided responses to each of these contentions in the project discussion and draft resolution. In staff's analysis, these contentions are without merit for the reasons stated in the draft resolution.

The hearing on the project at the Board is de novo. Staff has prepared a draft resolution denying the appeal, certifying the EIR, and approving the project. If the Board desires to take a different action, the Board could adopt a motion of intent and continue the hearing to a date certain for the staff to prepare a resolution with modified findings.

See **Attachment A** for a detailed project description and discussion, including project analysis and responses to the Appellant's contentions.

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

- ✓ RMA - Planning Department
- ✓ Economic Development Department (Housing)
- ✓ Environmental Health Bureau
- RMA-Building Services
- ✓ RMA-Public Works
- RMA-Environmental Services
- ✓ Water Resources Agency
- Parks Department
- Sheriff's Office
- ✓ Pebble Beach Community Services District (Fire Protection District)

The departments/agencies that are denoted with a ✓ have applied conditions to the project.

The Del Monte Forest Land Use Advisory Committee (LUAC) reviewed the project on September 5 and October 3, 2013. After substantial public comment and LUAC deliberation, the LUAC voted unanimously (7 - 0) not to make a recommendation on the project (**Attachment F**).

The Housing Advisory Committee (HAC) heard the matter on January 8, 2014, and voted unanimously (5 - 0) to support the project, conditioned upon preparation of an EIR, and to recommend the Planning Commission give consideration to additional parking spaces and recreation areas (**Attachment G**). The concerns have been addressed with preparation of an Environmental Impact Report (EIR), and the applicant submitted revised plans in December 2014 that increased the number of parking spaces from 58 to 67 (9 more spaces than required under applicable development regulations.) The applicant chose not to provide active recreation facilities on site due to the large amount of passive recreation available and the expanded impact to the forest that adding recreational facilities would have.

FINANCING:

Funding for staff time associated with this project is included in the FY2013-2014, FY2014-2015, FY2015-2016, and FY2016-2017 Adopted Budgets for RMA-Planning.

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Reviewed by: John Ford, RMA Services Manager, Ext. 5158
Approved by: John Guertin, Acting Deputy Director
Carl P. Holm, AICP, RMA Director

The following attachments are on file with the Clerk of the Board:

- Attachment A Project Discussion
- Attachment B Draft Board Resolution, including:
 - Exhibit 1 Conditions of Approval and Mitigation Monitoring and Reporting Plan
 - Exhibit 2 Site Plan, Floor Plans, Elevations, and Color/Material Finishes
- Attachment C Notice of Appeal
- Attachment D Planning Commission Resolution No. 16-014 (June 8, 2016)
- Attachment E Vicinity Map
- Attachment F Del Monte Forest Land Use Advisory Committee Minutes
- Attachment G Housing Advisory Committee Minutes
- Attachment H Correspondence (received since Planning Commission hearing on June 8, 2016)
- Attachment I Inclusionary Housing Agreement (without Exhibits)
- Attachment J Final EIR (distributed previously in March 2016)

The staff report and all exhibits are also available for review on the RMA-Planning public website at the following link:
<http://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma-/planning/current-major-projects/pebble-beach-company-inclusionary-housing>

cc: Front Counter Copy; Pebble Beach Company, Owner/Applicant; Del Monte Neighbors United, Appellant; Wittwer Parkin LLP, Agent for Appellant; Pebble Beach Community Services District (Fire Protection District); RMA-Public Works; RMA-Environmental Services; Parks Department; Environmental Health Bureau; Water Resources Agency; Economic Development Department (Housing); Monterey County Sheriff's Office; John Ford, RMA Services Manager; Joseph Sidor, Project Planner; The Open Monterey Project (Molly Erickson); LandWatch; Planning File PLN130447