County of Monterey

Board Report

Legistar File Number: A 25-420

Item No.

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

October 28, 2025

Introduced: 10/10/2025 **Current Status:** Agenda Ready
Version: 1 **Matter Type:** BoS Agreement

a. Approve a Funding Agreement with Carmel 1 Inv, LLC (PLN240105), to fund the preparation of an environmental evaluation through an Initial Study-Mitigated Negative Declaration and associated fees where the Base Budget is $149,273, the County Project Management/Contract Administration Fee is $22,391 (15% of the Base Budget), and the Project Contingency is $22,391 (15% of the Base Budget) for a not to exceed amount of $194,055 and a term from execution to December 31, 2025; and
b. Authorize the Director of Housing and Community Development or designee to execute the Funding Agreement, Professional Services Agreement with Rincon Consultants, Inc., in the amount of $171,664, and future amendments to the Agreements where the amendments do not significantly alter the scope of work and do not increase the Agreements' amounts of $194,055 and $171,664, by more than 10% ($19,406 and $17,167, respectively).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve a Funding Agreement with Carmel 1 Inv, LLC (PLN240105), to fund the preparation of an environmental evaluation through an Initial Study-Mitigated Negative Declaration and associated fees where the base budget is $149,273, the County Project Management/Contract Administration Fee is $22,391 (15% of the Base Budget), and the Project Contingency is $22,391 (15% of the Base Budget) for a not to exceed amount of $194,055; and
b. Authorize the Director of Housing and Community Development or designee to execute the Funding Agreement, Professional Services Agreement with Rincon Consultants, Inc., in the amount of $171,664, and future amendments to the Agreements where the amendments do not significantly alter the scope of work and do not increase the Agreements' amounts of $194,055 and $171,664, by more than 10% ($19,406 and $17,167, respectively).

SUMMARY:
Carmel 1 Inv, LLC ("Project Applicant") has applied to the County for a Combined Development Permit ("Project"). The Project is located at 26500 and 26550 Val Verde Drive in Carmel and consists of a residential development involving five parcels totaling approximately 13.4 acres. The Project proposes 74 for-sale, all-electric homes, including 59 single-family residences, 15 townhomes, and nearly two acres of open space. The open space will include a neighborhood park and landscaped gathering areas.

The County is requiring the Project Applicant to fund the preparation of an Initial Study-Mitigated Negative Declaration (IS-MND) for environmental review, to be conducted by Rincon Consultants, Inc. ("Contractor").

DISCUSSION:
The Project Applicant submitted a Preliminary Application pursuant to Senate Bill 330 and the "Builder's Remedy," thereby establishing vested rights for a standard subdivision and a defined set of objective development standards.

The Project qualifies for waivers and concessions under the State Density Bonus Law by reserving 15 units for lower-income households. The State Density Bonus Law allows developers to increase housing density in exchange for providing affordable housing units.

The Project meets the definition of a housing development project under Government Code §65589.5(h)(2), which states that local agencies may not disapprove such projects that contribute to meeting the state's housing needs without a thorough analysis of their economic, social, and environmental effects.

In 2017, the Contractor prepared an Environmental Impact Report (EIR) for a residential project located on the western portion of the current site. The current Project expands upon that prior development footprint, increasing both the total site area and unit count. The 2017 EIR identified significant and unavoidable traffic impacts based on Level of Service (LOS) thresholds. However, under current California Environmental Quality Act (CEQA) guidelines, LOS thresholds are no longer considered a basis for determining environmental impacts.
Given the updated CEQA standards and the absence of other anticipated significant and unavoidable impacts, preparation of an IS-MND is considered a proportionate and efficient environmental review approach for the Project.

OTHER AGENCY INVOLVEMENT:
The Offices of the County Counsel and Auditor-Controller have reviewed the Funding Agreement and Professional Services Agreement as to form and legality, and fiscal provisions, respectively.

FINANCING:
There are no costs to the General Fund as a result of this action. Staff costs to manage the contracts and professional services provided by the Contractor will be funded by the Project Applicant. Any additional staff time for processing the environmental review will be charged at the billing rate established in the Department's fee article.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Agreements between the parties would promote the County as an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability, and transparency. All services will be fully funded by the Project Applicant.

Well-Being and Quality of Life
Sustainable Infrastructure for the Present and Future
Safe and Resilient Communities
Diverse and Thriving Economy
_x_ Administrative

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Approved by: Craig W. Spencer, Director, HCD

The following attachments are on file with the Clerk of the Board:
Attachment 1 - Funding Agreement with Carmel 1 Inv, LLC