



County of Monterey Planning Commission

Item No.3

Monterey County Government Center
Cayenne Conference Room
1441 Schilling Place, 1st Floor

Agenda Item No.3

Legistar File Number: PC 25-095

December 10, 2025

Introduced: 12/3/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Planning Item

PLN240202-DEP - RANCHO CANADA VENTURES LLC

Public hearing to consider the construction of 40 inclusionary units in four two-story buildings consisting of 8,128 square feet, 8,688 square feet, 13,448 square feet, and 8,688 square feet with shared parking (88 spaces) and associated improvements on a five-lot parcel (Parcel A) designated for the proposed use within the Rancho Cañada Village Subdivision.

Project Location: No address assigned. between Carmel Valley Road and the Carmel River, east of Val Verde and approximately 0.6 miles east of Highway 1, Carmel Valley

Proposed CEQA action: Consider the previously certified Second Final Environmental Impact Report (SFEIR) for the Rancho Cañada Village Project subdivision (SCH#: 2006081150) and find that the preparation of a subsequent environmental document is not required, pursuant to CEQA Guidelines section 15162.

RECOMMENDATIONS

It is recommended that the Planning Commission adopt a resolution to:

- 1) Consider the certified Second Final Environmental Impact Report for the Rancho Cañada Village Project subdivision (SCH#: 2006081150), find that the preparation of a subsequent environmental document is not required, pursuant to CEQA Guidelines section 15162 and find that the project, as designed and conditioned, demonstrates compliance with Mitigation Measure AES-1; and
- 2) Approve a Design Approval to allow the construction of four two-story apartment buildings consisting of 8,128 square feet, 8,688 square feet, 13,448 square feet, and 8,688 square feet, containing 40 units (28 inclusionary units [moderate-income level] and 12 workforce units [6 units of Workforce I and 6 units of Workforce II]), and associated site improvements including shared parking and associated improvements. Building colors and materials consist of a deep tan stucco body with brown vinyl window and trim, and brown concrete roof tile. Associated carports consist of beige wood, steel, and roof-mounted solar panels. Trash enclosures consist of beige concrete (three of 1,743 square feet and one of 3,423 square feet).

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to 11 conditions of approval.

PROJECT INFORMATION

Agent: Cody Phillips

Property Owner: RANCHO CANADA VENTURES LLC

APN: 015-165-014-000 & 015-165-015-000

Parcel Size: 5 acres

Zoning: High Density Residential, 10 units per acre, with Design Control and Site Plan Review overlay districts or “HDR-D-S”

Plan Area: Carmel Valley Master Plan

Flagged and Staked: Yes

Project Planner: Mary Israel, Supervising Planner
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SUMMARY

The subject property is a 5-acre parcel that was designated for affordable housing within the Rancho Cañada Village (RCV) subdivision located between Carmel Valley Road and the Carmel River, east of Val Verde and approximately 0.6 miles east of Highway 1 in Carmel Valley. The proposed project is a Design Approval to allow the construction of four apartment buildings totaling 40 units, with shared parking and improvements that will meet the inclusionary housing requirement of the RCV subdivision (28 moderate-income level units and 12 workforce units). The main structures would be Building #1 of 8,128 total square feet, Building #2 of 8,688 square feet, Building #3 of 13,448 square feet, and Building #4 of 8,688 square feet. While all buildings will have the same exterior design, the layout of these buildings differs: Buildings #2 and #4 incorporate the same “Model B” layout, while Building #1 would incorporate “Model C” layout, and Building #3 would incorporate “Model A” layout. Buildings 1 - 4 are all two stories with covered porches, associated carports, and trash enclosures. The parking provided meets Title 21 Chapter 21.58 required parking ratios with a total of 88 spaces (40 covered and 48 not covered).

With Resolution No. 21-308, the Board of Supervisors amended Carmel Valley Master Plan Policy CV-1.27, Special Treatment Area: Ranch Canada Village, to allow residential development up to a density of 10 units per acre and to provide a minimum of 20% Affordable Housing.

The approved RCV subdivision Combined Development Permit was for a “145-unit subdivision, including 40 affordable units consisting of twenty-eight units for moderate income households, six units of Workforce I housing (affordable to households earning between 120% and 150% of County median income) and six units of Workforce II housing (affordable to households earning between 150% and 180% of County median income)” and a blanket Administrative Permit for the overall Site Plan, including the subject parcel, Parcel A. The Administrative Permit granted in 2021 is the appropriate permit type for residential housing at the density of 8 units per acre, pursuant to Title 21’s High Density Residential or “HDR” zoning district section 21.10.040.B.

The prior RCV subdivision entitlements did not include Design Approval. The proposed design has been reviewed for conformance with approved subdivision (Board of Supervisors Resolution No. 21-309), the Carmel Valley Master Plan (CVMP), the zoning code, and Design Control District Zoning Overlay. Staking and flagging is installed, and HCD-Planning staff, as well as the Carmel Valley Land Use Advisory Committee, determined that the project complies with all rules and regulations pertaining to zoning uses and any other applicable provisions of the 2010 County of Monterey General Plan, the CVMP, and Zoning Ordinance (Title 21). As described below and in the draft Resolution (Exhibit A), staff recommends support of the project.

DISCUSSION

Design Review

The site is in a Design Control (D) Zoning District. The purpose of the Design Control Zoning District is to provide a district that regulates the location, size, configuration, materials, and colors of structures and fences in those areas of the County where design review of structures is appropriate to assure protection of the public viewshed, neighborhood character, and the visual integrity of certain developments without imposing undue restrictions on private property.

The proposed colors and materials would be deep tan stucco body with brown vinyl window and trim, and brown concrete roof tile. Associate carports would be beige wood and steel, with roof-mounted solar panels, and each building will have an associated beige concrete trash enclosure (three of 1,743 square feet and one of 3,423 square feet). Per Staff's review of the structure renderings (see Attachment 2 of **Exhibit A**), the proposed design is consistent with the CVMP viewshed policies CVMP Policies CV-1.1 and CV-1.20 because of its natural colors and materials, use of rural themed roofing, window and lighting fixture design, and position relative to existing nearby vegetation and distance from public viewing areas. The development is set back approximately 0.28 miles from Carmel Valley Road and is behind the Carmel Middle School, which has a tall Cypress tree line on the rear and side property line, blocking most public views. Visual and neighborhood impacts were analyzed in the Second Final Environmental Impact Report (SFEIR) and found to be mitigated fully by Mitigation Measures AES-1, which is discussed below under Environmental Review. As proposed, the project assures protection of the public viewshed, is consistent with neighborhood character, and assures visual integrity. (**Exhibit A**).

CVMP Policy CV-3.3 requires development to avoid significantly blocking views of the viewshed, the river, or the distant hills as seen from key public viewing areas, including along Carmel Valley Road. This project conforms with Policy CV-3.3 in that the view of the River and hills beyond from Carmel Valley Road is not significantly altered due to the location behind the existing Cypress tree line at Carmel Middle School.

Development Standards

The parcel's zoning district is High Density Residential, maximum gross density 10 units per acre, Site Review and Design Control per Zoning Ordinance No. 5360, which was adopted by the Board of Supervisors in 2021. This Inclusionary Housing parcel has a gross land area of 5 acres, and 40 units are proposed; therefore, the proposed density of 8 units/acre is below the maximum.

The development standards for the "HDR" zoning district are identified in Title 21 section 21.10.060. The setbacks for main structures are 20 feet (feet) front, 5 feet side, and 10 feet rear. The setbacks for nonhabitable accessory structures are 50 feet front or behind the main structure, 6 feet side in the front half of the property and 1 foot rear half, and 1 foot rear setback. The minimum distance between structures is 10 feet for main structures and 6 feet for main to accessory. The main structure setbacks would be met, as the nearest front setback is 32 ft and 6 inches, the closest side setback is 10 ft and 1 inch, and the rear setback is 20 ft and 3 inches or more. The main structures would be approximately 85 feet apart at minimum, and accessory structures would be sited 12 feet apart at minimum from the main structures. Building site coverage is 60% maximum. The proposed site coverage would be well below the maximum for the parcel (22%). The proposed height would 26 feet and 3.5 inches, which

meets the 35 ft height limitation for main structures. In sum, development standards are met.

Health and Safety

Necessary public facilities will be provided to serve the RCV subdivision. The project is located within the California American Water Company (Cal-Am) service area. RCV wells supply water to Cal-Am, and Cal-Am will supply the property with domestic water, which the State Water Resources Control Board (SWRCB) Division of Drinking Water found in substantial conformance to Titles 17 and 22 of the California Code of Regulations Water Works Standards. The proposed project would use a portion of the maximum 60-acre-feet per year (AFY) that is allowed for onsite residential development by the Rancho Cañada Village subdivision (Board Reso. No. 21-309). As described in Board Resolution No. 21-309, the project site has riparian rights for 180 AFY, which exceeds the water needs of the Proposed Project and build out of the RCV subdivision. SWRCB previously determined that the transfer of up to 60 AFY water rights to Cal-Am in order to serve development within the RCV subdivision did not violate Condition 2 of the State Water Board's Cease and Desist Order on Cal-Am's illegal diversions from the Carmel River (State Water Board Order WR 2009-0060).

Wastewater would be removed through a new sewer system that will connect to the Carmel Area Wastewater District (CAWD). CAWD reviewed the proposed sewer infrastructure under an associated grading permit (24CP01291). CAWD's recommendations were incorporated into the site plan design as 24CP01291-REV1. In sum, health and safety standards would be met.

Fire safety standards were applied to the previously approved Combined Development Permit for PLN040061-AMD1. The proposed plans conform with those requirements as applicable, such as driveway standards (Condition No. 21). The proposed driveways are at least 12 feet wide.

Operations

The project relates to PLN040061-AMD1, which had a requirement to establish a Home Owners Association (HOA) for maintenance of common areas (Condition No. 49). The subject parcel, Parcel A, may be excluded from that HOA and separately subdivided with a distinct HOA or similar entity. At the time of this hearing, there has been no subdivision of Parcel A. Therefore, Condition No. 11 has been applied to this permit to require that the Applicant/Owner provide an Operations Plan detailing how common areas shall be maintained, and safety of the occupants shall be ensured, as well as coordination with PLN040061-AMD1 Condition No. 112, prior to operation. If the Applicant/Owner subdivides Parcel A and establishes an HOA or similar entity with an Inclusionary Housing Marketing Plan prior to operation, then Condition No. 11 can be alternatively met.

Tree Removal and Landscaping

There are no trees proposed for removal to allow this Design Approval. However, one tree was removed for subdivision-wide improvements during an earlier construction phase, and replacement is planned within this site. With Board of Supervisors Resolution No. 21-309, up to 37 tree removals were allowed on the approximately 77 acres of land, and a restoration plan includes replacement planting. The Design Approval relates to the subdivision's entitlement, and tree replacement is tracked within the Mitigation Monitoring and Reporting for PLN040061-AMD1. With the tree removed within Parcel A, the current count of trees to be removed throughout the 77-acre subdivision is 33.

Similarly, Mitigation Measure AES-1 (PLN040061-ADM1) requires adequate landscaping with native plants and trees to improve the visual setting of the project, while complying with CVMP Policy CV-3.3. The locations of some of the vegetative buffers are anticipated to be across the new access road to the west. The view of the distant hills from Carmel Valley Road is not anticipated to be significantly impacted due to the orientation of the new tree line as perpendicular to Carmel Valley Road, and also at least 0.26 miles from the roadside. CVMP Policy CV-3.10 requires landscaping materials to be predominantly native plants to the valley. Condition No. 7 of this Design Approval requires a Final Landscape Plan that will conform to the native landscaping material requirements described in AES-1, CVMP Policies CV-3.3 and CV-3.10, and other County regulations, including fire fuel management.

Environmental Review

On July 27, 2021, the County certified the Rancho Cañada Village subdivision Second Final Environmental Impact Report (SFEIR) (SCH#: 2006081150); Resolution No. Resolution Nos. 21-307 and Resolution Nos. 21-309. All environmental impacts of the proposed development were previously analyzed as part of the environmental review for the RCV subdivision and the comprehensive site review conducted in public hearings prior to entitlement. The previous review included the conceptual siting, traffic, and use of the affordable housing. The “Increased Unit, Greater Affordability Alternative,” Alternative 6b, allowing 145 units of housing, including the 40 units of Affordable Housing, was chosen among the SFEIR Project Alternatives. Mitigations and conditions of approval were adopted with certification of the SFEIR SCH#2006081150, Board Reso. No. 10-312) to ensure the potential is minimized. A Statement of Overriding Considerations (SOC) was approved by the Board of Supervisors for impacts to cumulative Land Use, as the SFEIR was adopted prior to adoption of Ordinance No. 5360. With the adoption of this ordinance amending Policy CV-1.27, the impacts became less than considerable. The SFEIR identified significant and unavoidable impacts to Transportation and Traffic impacts that, after mitigation was applied, could not be mitigated to a level of less-than-significant. These are construction traffic on the failing operation existing condition at certain locations, such as along Highway 1 and the Laureles Grade/Highway 68 intersection. Peak hour Level of Service (LOS) from the subdivision would also add traffic to deficient segments of Highway 1, which existing fee programs cannot address.

The certified SFEIR concluded that the subdivision would have potentially significant environmental impacts related to land use within the project area, but land use compatibility impacts are mitigated to a less than significant level with incorporation of Mitigation Measure AES-1, which requires the developer to implement measures to reduce light and glare and visual intrusion to surrounding land uses and other public viewpoints and requires that the developer plant a vegetative buffer with native tree/shrub/scrub cover with locally derived stock around the periphery of the project site including on the northern edge of the Rio Road extension, on the western edge of the project north of Rio Road, and the project boundary with Carmel Middle School. Vegetative buffering on the periphery of the subdivision required by AES-1 shall be installed after construction of subdivision improvements. The affordable housing design incorporates Mitigation Measure AES-1 by including matte neutral colors and materials, downlit lighting features, and a draft Landscaping Plan that has tree and shrub screening.

All other subdivision Mitigation Measures and Conditions of Approval are currently met for the stage of development (Grading Permit No. 24CP01291-REV1 and subdivision retaining wall Construction Permit No. 25CP02565 and Design Approval No. DA250217). The requirements of the measures pertain to the overall impacts in relation to geology and soils, hydrology and water quality, aesthetics, hazards and hazardous materials, transportation and traffic, air quality, noise, public services, utilities, recreation, cultural resources, population and housing, and greenhouse gas emissions. Potential impacts related to these are less than significant through ongoing adherence with the requirements of the approved Mitigation Monitoring and Reporting Plan (MMRP), except for Transportation and Traffic, which remain potentially significant after mitigation is applied. There are no additional impacts caused by or related to the Design Approval for the construction of the affordable housing on Parcel A that were not already considered in the SFEIR. The permit holder is in good standing for compliance with the Agreement to Implement the MMRP (Document No. 2023013641). The requirement to adhere to the subdivision's MMRP is Condition No. 5 of this permit.

Pursuant to the CEQA Guidelines Section 15162, when an EIR has been certified, no subsequent EIR or negative declaration shall be prepared for the project unless the agency determines that substantial changes are proposed, or substantial changes occur with respect to the circumstances under which the project is undertaken. Here, no new information has been presented, no new circumstances exist, and no substantial changes to the SFEIR's scope of work (which considered 6 alternative projects) are proposed that warrant further environmental review. The SFEIR contemplated residential development of the lot, including sufficient construction to add 40 units of housing with at least 24 two-bedroom units and 8 three-bedroom units, and remaining units allowed to be one-bedroom with structural and hardscape improvements. The project includes approximately 31,850 square feet of structural improvements (roughly one-third of the maximum site coverage). The SFEIR contemplated five alternatives and one "no project" alternative to the original project and evaluated them separately for potential impacts. The proposed project conforms to the project description of Alternative 6b, "Increased Unit, Greater Affordability Alternative." There has been no change in the project alternative and no indication during review of the project, or in testimony from the public, that circumstances have changed since the EIR was certified. Circumstances of the conditions of this Carmel Valley neighborhood's buildout within the context of the Carmel Valley Master Plan remain the same. Therefore, none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.

LAND USE ADVISORY COMMITTEE (LUAC) REVIEW

The proposed project was referred to the Carmel Valley Land Use Advisory Committee (LUAC) for review as a project requiring a public design approval. The project was reviewed at a duly noticed LUAC meeting on November 3, 2025. After discussion that included comments from the public, the LUAC voted 5 ayes - 0 noes with 2 absent to support the project as proposed. The public shared support for the design and use of the site. One public comment voiced that it may be setting a positive precedent for affordable housing located near jobs in Carmel Valley. The LUAC committee members only commented that the inclusionary housing would be taken care of with this approval.

OTHER AGENCY INVOLVEMENT

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

HCD-Engineering Services
HCD-Environmental Services
Environmental Health Bureau
Water Resources Agency
Cypress Fire Protection District
Public Works, Facilities and Parks

Prepared by: Mary Israel, Supervising Planner, x5183

Reviewed: Fionna Jensen, Principal Planner

Approved by: Melanie Beretti, Chief of Planning

The following attachments are on file with HCD:

Exhibit A - Draft Resolution, including:

- Recommended Conditions of Approval
- Site Plan & Elevations
- Colors and Materials

Exhibit B - Vicinity Map

Exhibit C - Carmel Valley LUAC Minutes from November 3, 2025 meeting

Exhibit D - Board of Supervisors Resolution Nos. 21-307, 21-308 and 21-309 and related document links

cc: Front Counter Copy; HCD-Environmental Services; HCD-Engineering Services; Environmental Health Bureau; Water Resources Agency; PWFP-Parks; Monterey County Regional Fire Protection District; Mary Israel, Supervising Planner; Fionna Jensen, Principal Planner; Rancho Canada Venture LLP, Property Owner; Cody Phillips, Agent; The Open Monterey Project; LandWatch (Executive Director); Lozeau Drury LLP; Christina McGinnis; Planning File PLN240202-DEP.