



County of Monterey Planning Commission

Item No.3

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

Agenda Item No. 3

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PLN220014 - STEIN CHARLES S & LYNDA MARIN TRS

Public hearing to consider the transient use of an existing one-story single family dwelling and guesthouse for remuneration (commonly known as Short-Term Rental).

Project Location: 41 Laurel Drive, Carmel Valley

Proposed CEQA action: Finding the project Categorically Exempt pursuant to CEQA Guidelines Section 15301

RECOMMENDATIONS

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

- 1) Find that the project is for leasing of existing private structures, involving negligible or no expansion of an existing use qualifies as a Class 1 Categorical Exemption pursuant to CEQA Guidelines Section 15301, and none of the exceptions contained in Section 15300.2 apply; and
- 2) Approve an Administrative Permit to allow a transient use of a residential property (single family dwelling and guesthouse) for remuneration.

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to 9 conditions of approval.

PROJECT INFORMATION

Agent: N/A

Property Owner: Charles Stein and Lynda Marin

APN: 187-371-002-000

Parcel Size: .9481 acres

Zoning: Low Density Residential, 1 acre per unit with Design Control, Site Plan and Residential Allocation Zoning overlay districts or "LDR/1-D-S-RAZ"

Plan Area: Carmel Valley Master Plan

Flagged and Staked: No

SUMMARY

The subject property is located at 41 Laurel Drive, Carmel, within the Rancho Del Monte #4 subdivision, and is subject to the policies and regulations of the 2010 Monterey County General Plan, Carmel Valley Master Plan, and the Monterey County Zoning Ordinance Title 21. The proposed project includes the transient use of an existing single family dwelling and guesthouse for remuneration which is known as a short-term rental (STR). (**Exhibit A**).

This project was initially set for an Administrative hearing on February 1, 2023. However, the decision has been referred to the Planning Commission due to public comment letters objecting to the project in response to the public notice for the February hearing (see **Exhibit D**). In summary, the objections relate to the issuance of open ended Administrative Permits for STRs until the EIR is certified and the new draft STR Ordinance is adopted by the Board of Supervisors, the use of Categorical Exemptions from CEQA due to assumed cumulative effects of STRs and impacts on housing. These objections have been considered, addressed and no issues remain. Staff recommends approval of the Administrative Permit for a limited time expiration of three (3) years, or until an updated ordinance is adopted by the Board of Supervisors.

DISCUSSION

Land Use

Based on staff review of the planning application materials, the property complies with all rules and regulations pertaining to zoning uses and other applicable provisions of the 2010 Monterey County General Plan, Carmel Valley Master Plan, and applicable sections of the Monterey County zoning ordinance, Title 21. The parcel is zoned Low Density Residential with Design Control, Site Plan and Residential Allocation Zoning overlay districts (LDR/1-D-S-RAZ) which allows for transient use of a residential property for remuneration, subject to an Administrative Permit.

Monterey County Code (MCC) Section 21.64.280.D.2 establishes the requirements and regulations for which a property operating as a transient use for remuneration must abide by. As detailed in the draft resolution (**Exhibit A**), the applicant has provided evidence of compliance with the applicable requirements. The Operations Plan, as attached to the draft resolution, limits the subject property to one rental contract with rental periods with no less than a 7-night consecutive stay and no greater than a 30-night consecutive stay, and a maximum occupancy of 10 individuals. MCC regulations for guesthouses prohibit renting/leasing a guesthouse separately from the main dwelling. As such, an STR contract for the property shall include either use of the main dwelling or the main dwelling plus the guesthouse. The proposed occupancy does not exceed the limits set forth in the California Housing Code and are within the abilities of the existing septic system. Adequate parking spaces will be provided (8 total), all parking spots are located on the property, no street parking is proposed. The property owners (Charles Stein and Lynda Marin) do not reside within 5 miles of the property and has therefore designated a local contact/property manager who will be available 24/7 to respond tenant and neighborhood questions or concerns.

Public Comment

Staff received a total of 5 comment letters, 3 in support of and 2 objecting to the project (**Exhibit D**). These letters were submitted by an attorney representing the Save Our Peninsula “SOP” Committee, and the Carmel Valley Association in opposition of the proposed project and a request for the project to be reviewed by the Planning Commission.

The public objection letters raised concerns regarding the need for a global assessment of short-term rental approvals on available housing stock, potential impacts to the character of residential neighborhoods, and potential environmental impacts on the unincorporated areas of the County. Specifically to this project, the letter expressed concerns around potential increase of environmental impacts including noise and traffic, HCD’s ability to enforce the 7-30 day rental period, and the lack

of a cumulative impact assessment within the CEQA finding of the draft resolution. In addition, one comment letter raised concerns with the “modified Operating Plan” stating that in addition to nightly accommodation of up to 10 adults, “..,up to 14 adults for special gatherings and events and 15 or more with permission of owners...” would be allowed. A revised Operation Plan was submitted that strictly prohibits special events (see Page 2 of the Operations Plan included as part of **Exhibit A**).

To address the concerns regarding increased noise and traffic and the impacts to the residential neighborhood character; the subject property is zoned for residential development, rezoning is not proposed. The property is subject to Monterey County’s Noise Ordinance (Chapter 10.60), which prohibits loud or unreasonable noise between the hours of 9:00PM and 7:00AM the following morning. Short-term rentals are not exempt from this ordinance. Through adoption of the Transient Use of a Residential Property for Remuneration Ordinance (No. 5135), the Board of Supervisors found that the “use permitted pursuant to this ordinance, as regulated, will not constitute a substantial adverse physical change to the environment or any substantive change in the intensity of use of existing single family dwellings.” In addition, a revised Operation Plan was submitted that lists quiet time hours consistent with Chapter 10.60 (see Page 2 of the Operations Plan included as part of **Exhibit A**).

Regarding HCD’s ability to enforce the restrictions, HCD Code Compliance does have the ability to enforce the terms and conditions of this permit as well as noise complaints. Based on review the County’s records, no complaint has been received by the Code Compliance Division and thus no violation has been issued on this property. The granting of this Administrative Permit will bring the property into conformance with applicable Monterey County Codes. If a complaint is filed with the County Code Compliance department following the issuance of this Administrative Permit relating to a violation of the Operations Plan or Conditions of Approval, the County would investigate the claim.

Two of the letters of support were provided by neighbors and the other provided a rebuttal to one of the object letters.

Staff Recommendation

Staff recommends the Commission apply the rules currently in place, until such time as those rules are modified. This would require considering applications for the transient use of residential property for remuneration for consistency with the intent, purpose, and requirements of regulations contained in MCC Section 21.64.280. The stated purposes of the current regulations are to:

1. Preserve and enhance the residential character of the zoning districts established in Title 21 and the sense of security and safety in stable neighborhoods of owner-occupied residences.
2. Implement the provisions and advance the purposes and objectives of Title 21.
3. Except as provided in this Section, restrict transient use of property for remuneration, which use may be inharmonious with and injurious to the preservation of the character and environment of the various zoning districts in Title 21.
4. Promote the public health, safety, and general welfare of the County.

Specific regulations are provided that are intended to promote the purpose. Staff has reviewed the application materials and found them consistent with the stated regulations. Regarding the CEQA determination, there is no physical development proposed that would have a direct impact on the

environment. The use of the single family residence as a short-term rental, with a rental period of 7 days or more per rental (as required in 21.64.280.D.2.a), will not substantially change the intensity of use of the property and the existing structure. The potential impact of short-term rentals on long-term housing is not a unique circumstance that would disqualify the use of a categorical exemption. Potential social and economic impacts of short-term rentals are not required to be addressed in CEQA.

To understand the cumulative considerations in an empirical manner, staff has researched the number of residential properties in Carmel Valley and the number of applications pending for short-term rentals in the Carmel area. There are currently 5,033 residential dwellings in Carmel Valley Master Plan area and 25 short-term rental applications in this same area on file with the County.

In consideration of the Administrative Permit, the Planning Commission may weigh the specific facts and circumstances of the case and may also designate reasonable conditions. Limits on the duration of the Administrative Permit can be applied if it is deemed appropriate. Typically, Administrative permits are valid for 2 years unless construction begins, or use commences within that time. In other words, if the short-term rental use begins within the 2 year timeline, there would be no expiration to the permit allowing the short-term rental of the property without an expiration date specified. Staff is now proposing to apply an expiration condition to this permit which limits the approval to 3 years, or until an updated ordinance is adopted by the Board of Supervisors.

Health and Safety

Necessary public facilities will be provided. Water for the property is and will continue to be provided by California American Water. An existing onsite 1500-gallon septic system will continue to provide sewer treatment for the main dwelling and guesthouse. EHB has reviewed the submitted application materials and indicated no concerns with the proposal. (**Exhibit A**).

Environmental Review

The project qualifies as a categorical exemption from environmental review pursuant to Section 15301 of the CEQA Guidelines. This exemption applies to the leasing of existing private structures, involving negligible or no expansion of an existing use. The applicant proposes to use (lease) an existing residential single family dwelling and guesthouse as a transient use for remuneration and does not propose any additional development and/or expansion of the existing structures. The subject property will be limited to one rental contract at any given time, and therefore the property (guesthouse and main residence) is limited to functioning as one rental unit. The proposed project is considered a similar residential use to a single family dwelling and therefore will generate a similar number of daily trips (approximately 10). Adequate parking is proposed. All facilities are existing and have been confirmed by County agencies to be adequate for this use. The use of the single family residence as short-term rental will not substantially change the intensity of use of the property and the existing structure. The potential impact of short-term rentals on long-term housing is not a unique circumstance which would disqualify the use of a categorical exemption. Potential social and economic impacts of short-term rentals are not required to be addressed in CEQA. Therefore, the proposed use is consistent with the CEQA Guidelines Section 15301. None of the exceptions under CEQA Guidelines Section 15300.2 apply to this project.

OTHER AGENCY INVOLVEMENT

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

HCD-Engineering Services
HCD-Environmental Services
Environmental Health Bureau
Monterey County Reginal Fire Protection District

LAND USE ADVISORY COMMITTEE (LUAC)

The project was referred to the Carmel Valley Land Use Advisory (LUAC) for review. The LUAC reviewed the project at a duly noticed public meeting on December 5, 2022 and voted to recommend approval of the project as proposed. One public comment was received prior to the scheduled meeting and the LUAC read the comment into the recorded minutes.

Prepared by: Kayla Nelson, Associate Planner, x6408
Reviewed by: Anna Ginette Quenga, AICP, Principal Planner
Approved by: Craig Spencer, Working out of class as Director of HCD

The following attachments are on file with HCD:

Exhibit A - Draft Resolution, including:

- Recommended Conditions of Approval
- Site Plans, Floor Plans & Elevations
- Operational Plan

Exhibit B - Vicinity Map

Exhibit C - LUAC Minutes, Dated December 5, 2022

Exhibit D - Public Comment

cc: Front Counter Copy; Monterey County Regional Fire Protection District; HCD-Environmental Services; HCD-Engineering Services; Environmental Health Bureau; Kayla Nelson, Planner; Anna Quenga, Principal Planner; Chuck Stein and Lynda Marin, Property Owners; John Heyl, Interested Party; The Open Monterey Project; LandWatch (Executive Director); Planning File PLN220014