



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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July 31, 2024

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Matter Type: Planning Item

PLN210098 - COCONUT OAK LLC (FORMERLY LB HOMEBUYERS LLC)

Continued from February 28, 2024 - Public hearing to consider establishing transient use of a residential property (two single-family dwellings) for remuneration, commonly known as a short-term rental.

Project Location: 27610 & 27612 Schulte Road, Carmel Valley

Proposed CEQA action: Find the project Categorically Exempt pursuant to Section 15301 of the CEQA Guidelines and none of the exceptions to the exemptions listed in Section 15300.2 can be made.

RECOMMENDATIONS

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

- a. Find the project qualifies for a Class 1 Categorical Exemption pursuant to CEQA Guidelines section 15301 and none of the exceptions to the exemptions listed in Section 15300.2 can be made; and
- b. Approve an Administrative Permit to allow transient use of a residential property (two single-family dwellings) for remuneration.

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to 10 conditions of approval.

PROJECT INFORMATION

Agent: Damien Georis, Lewis Builders

Property Owner: Coconut Oak LLC

APN: 416-022-006-000

Parcel Size: 2.028 acres

Zoning: Low Density Residential, 2.5 acres per unit with Design Control, Site Plan Review, and Residential Allocation zoning overlays or "LDR/2.5-D-S-RAZ"

Plan Area: Carmel Valley Master Plan

Flagged and Staked: No

Project Planner: Christina Vu, Assistant Planner

(831) 755-5139 or vuc@countyofmonterey.gov

SUMMARY:

This project was originally scheduled for the February 28, 2024 Planning Commission hearing. Prior to this hearing, HCD-Planning staff received public comments alleging potential violations on the subject property. To allow HCD-Code Compliance staff sufficient time to

investigate the alleged violation, the Planning Commission continued the hearing to a date uncertain. Code Compliance staff has since completed their investigation and found that the complaint had no merit and the case has been closed.

DISCUSSION:

On July 26, 2021, the Applicant/Owner, Coconut Oak LLC (Formerly LB Homebuyers LLC) submitted an application seeking short-term rental of a residential property containing two residences located at 27610 & 27612 Schulte Road, Carmel Valley. No exterior changes or development is proposed. The first residence, located at 27610 Schulte Road (in the rear or northern portion of the property), is 2,060 square feet in size with three bedrooms, two bathrooms, a kitchen, and an attached garage. The second residence, located at 27612 Schulte Road (in the front or southern portion of the property), is 1,872 square feet in size with three bedrooms, 2.5 bathrooms, a kitchen, and an attached garage. The Applicant/Owner is proposing a maximum of 12 people to stay at the property at a time. The Operations Plan specifies that only one contract will be allowed at a time, meaning a rental contract can be either for both residences or for only one; separate concurrent contracts for each residence would be prohibited. The property will retain its domestic water connections to a nearby small water system and the existing onsite septic systems will continue to provide sewer treatment for the two dwellings.

There are currently 5,033 residential dwellings in the Carmel Valley Master Plan area and approximately 33 short-term rental applications have been received by the County. Ten applications have been approved. If approved, the granting of this Administrative Permit would allow the establishment of the 11th permitted short-term rental in the Carmel Valley Master Plan Area.

DISCUSSION:

The Proposed Project is subject to the policies and regulations of the 2010 Monterey County General Plan, Carmel Valley Master Plan, and the Monterey County Inland Zoning Ordinance (Title 21).

Land Use

Based on staff's 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. The parcel is zoned Low Density Residential, 2.5 acres per unit with Design Control, Site Plan review, and Residential Allocation Zoning overlays (LDR/2.5-D-S-RAZ). Title 21 section 21.64.280 allows for the transient use of a residential property for remuneration in all zoning districts which allow residential uses, subject to the granting of an Administrative Permit.

Title 21 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/Owner has provided evidence of compliance with the applicable requirements. The Operations Plan, attachment 3 of the Draft Resolution (**Exhibit A**), 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 12 individuals. The proposed occupancy does not exceed the limits set forth in the California Uniform Housing Code and is within the abilities of the existing septic system. Adequate parking spaces will be provided (6 total guest parking and 2 for employees). The property owner (Coconut Oak LLC) does 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 to tenant and neighborhood questions or concerns.

To ensure the proposed use will not affect the residential character of the neighborhood, Condition of Approval No. 4, No Events Allowed, has been incorporated. The purpose of this condition is to ensure that the property will only be used as a short-term rental, and not an event venue. Additionally, the proposed short-term rental 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. In accordance with Title 21 section 21.64.28.D.2.h, if the property is found to be in violation of the approved operations plan or conditions of approval attached to this Administrative Permit, the permit may be revoked for non-compliance.

Legal Non-Conforming

County of Monterey Building Records demonstrate that the first single-family dwelling was established on the subject property between 1951 and 1957 and the second single-family dwelling was established between 1981 and 1982. The current zoning allows a density of 2.5 acres for every residential unit. The subject property is approximately 2.028 acres in size and could only support one residence under current zoning restrictions. Therefore, the property is legal non-conforming as to density. Pursuant to Title 21 section 21.68.020, a legal non-conforming land use (such as density) may be continued from the time that it was established provided the use is not expanded, enlarged, increased, or intensified. In this case, the Applicant/Owner seeks permission to use the existing residential structures as short-term rentals. This would change the existing residential use but would not change the residential density or intensity of the property. As such, granting of the entitlement would not conflict with the property's legal non-conforming status.

Public Comment

Members of the public have submitted letters in support and opposition to the project. Raised concerns relate to the increasing number of short-term rentals in the local area/neighborhood, the potential increase in traffic and noise that the proposed project would cause, and use of the property as an event venue.

The opposing letters describe Schulte Road as already having too many commercial uses. Saddle Mountain Ranch RV and Campground, and Camel by the River RV Park are located at the west end of Schulte Road. The submitted public comment letters raise concerns about the volume of traffic and increased noise levels that accompany the two RV campgrounds. In addition to these two commercial uses, Schulte Road residents claim that numerous residential properties along this road currently operate as short-term rentals. Local residents are concerned that an additional short-term rental would worsen Schulte Road's existing traffic and noise issues, and potentially interfere with the excavation of residents and visitors along Schulte Road in an emergency. Additionally, the Carmel Valley Association objects to the project and claims inappropriate environmental review and the need to consider cumulative impacts of Schulte Road. The CVA's letter also made general comments about short term rentals in the County of

Monterey, including the effect of short-term rentals on housing supply and the neighborhood character of Carmel Valley, and the need for the County to stay or deny all applications until such time that the Environmental Impact Report being prepared for the “revised VR Ordinance” is adopted by the Board of Supervisors.

As stated above, the number of occupancy will not exceed the limits set forth in the California Uniform Housing Code. The proposed use will have a comparable intensity and nature of two single-family dwellings and will not create an adverse environmental impact. Carmel Valley Road is identified as an evacuation route in the 2010 General Plan. Given that the project would not intensify the existing land use (two single-family residences), the project would not impair or interfere with the adopted emergency response or evacuation plan. HCD-Engineering Services have reviewed the proposed project and the nearby roadways and determined that the road is suitable for this use. The Monterey County Regional Fire Protection District has reviewed the application, made no comments, and raised no concerns about access to the property’s development. Condition No. 4 has been applied to specify that no parties or events are allowed. Additionally, the rental is subject to Monterey County’s Noise Ordinance. Per the Operations Plan, a local property manager, located within a 25-mile radius of the rental unit, will serve as a 24-hour point of contact. Finally, the project is subject to the current short-term rental regulations contained in Monterey County Code section 21.64.280. It would be inappropriate to consider an ordinance that has yet to be adopted by the Board of Supervisors.

CEQA:

The project qualifies as a categorical exemption from environmental review pursuant to CEQA Guidelines section 15301. This exemption applies to the operation of existing private structures, involving negligible or no expansion of an existing use. The Applicant/Owner proposes to use (lease) two existing residential single-family dwellings as a transient use for remuneration and does not propose any additional exterior 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 (containing two residences) is limited to functioning as one rental unit. All facilities are existing and have been confirmed by County agencies to be adequate for this use. 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. Additionally, there will be no significant effect on the environment due to unusual circumstances. Further, there is no evidence that “the cumulative impact of successive projects of the same type in the same place, over time is significant.” Under CEQA, an action is a “project” only when it is either “directly undertaken by any public agency”, “supported, in whole or in part” by financial or other forms of assistance from a public agency, or involves the issuance of an entitlement by a public agency (Public Resources Code, § 21065). The surrounding area includes numerous unpermitted short-term rentals. By definition, these short-term rentals are not “projects” under CEQA, and therefore are not considered for purposes of this cumulative impact analysis.

OTHER AGENCY INVOLVEMENT

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

HCD-Engineering Services
Environmental Health Bureau

HCD-Environmental Services
Monterey County Regional Fire Protection District

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 March 6, 2023, and voted 3-2 to support the project as proposed. Public comments included concerns over noise, need for better enforcement of unpermitted short term rentals, traffic, evacuation, and parking.

Prepared by: Christina Vu, Assistant Planner, x5139

Reviewed and Approved by: Anna Ginette Quenga, AICP, Principal Planner

The following attachments are on file with HCD:

Exhibit A - Draft Resolution including:

- Recommended Conditions of Approval
- Site Plans and Floor Plans
- Operation Plan

Exhibit B - LUAC Minutes

Exhibit C - Vicinity Map

Exhibit D - Public Comment Letters

cc: Front Counter Copy; Monterey County Regional Fire Protection District;
HCD-Environmental Services; HCD-Engineering Services; Environmental Health Bureau;
Christina Vu, Planner; Anna Ginette Quenga, AICP, Principal Planner; Coconut Oak LLC,
Property Owners; Damien Georis, Lewis Builders, Agent; Interested Party List; The Open
Monterey Project; LandWatch (Executive Director); Laborers International Union of North
America (Lozeau Drury LLP); Christina McGinnis, Keep Big Sur Wild; Planning File
PLN210098.