

Exhibit A

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DISCUSSION

BACKGROUND

Original Proposal: 281-Unit Subdivision and Specific Plan

The Rancho Canada Village (RCV) Project was submitted to the County in April 2004 and deemed a complete application the following year, on August 10, 2005. At that time the Project was subject to the provisions and policies of the 1982 General Plan, which was then in effect.

The RCV Project was originally proposed through a Specific Plan consisting principally of a 281-unit residential subdivision and open space/recreational improvements; this remains the Project described in the present FEIR. The proposed 281 units consist of a mix of small-lot single-family residences, townhomes and condominiums, nearly half (140 of the 281 units) of which are proposed as either affordable (56 affordable units; 20% of total units proposed) or workforce (84 units; 30% of total units proposed) housing units.

In January 2008, the *Rancho Canada Village Specific Plan Draft Environmental Impact Report* (DEIR) was prepared and circulated for public comment; however, due to changing economic conditions and other factors the project did not go forward for consideration by the Planning Commission or Board of Supervisors at that time and was essentially put on hold. The original 281-unit proposal remains the Project described in the present FEIR; the specific plan, however, is no longer proposed by the applicant as its means of implementation.

Project Description

The applicant, Rancho Canada Ventures, LLC, proposes residential subdivision for the West Course of the Rancho Canada Golf Club, located on the south side of Carmel Valley Road (4860 Carmel Valley Road), approximately 0.6 miles east of Highway 1:

- The original proposal (Project) is a 281-unit residential subdivision consisting of a mix of single-family residences (141 units), townhomes and condominiums (140 units).
- The alternative proposal (Alternative) is a lower-density, 130-unit subdivision consisting primarily of single-family attached and detached lots, along with 12 condominium units.

The application includes a Standard Subdivision and Combined Development Permit for development in the Carmel River Floodplain, tree removal, and grading and infrastructure installation will also be required, as well as Design Review and Site approvals.

Both subdivision scenarios, Project and Alternative, occupy the same general, approximately 40-acre area of the West Course of the Rancho Canada Golf Club; the 130-unit Alternative also includes a 4.3 acre parcel (Lot 130), approximately one-half mile northeast of the main project area, which is presently developed with maintenance facilities and a residence; the Alternative would allow for the future redevelopment of one residence on this 4.3-acre parcel. A primary difference of the Alternative is that it does not require the importation of offsite fill material for proposed grading and site improvements. Disposition of water not required for the 130-unit project is proposed as follows:

- a) Transfer water to California-American Water (Cal-Am) for other uses (up to 60 acre-feet/year); and
- b) Dedicate water for in-stream purposes for the benefit of the adjacent Carmel River (up to 50 acre-feet/year).

While the Rancho Canada Village EIR water analysis includes these components, County action is focused on having a long-term water supply for the project. Subsequent actions relative to water rights/credits by other agencies may require further analysis for their consideration.

Approximately 82-acres is designated Public/Quasi-Public (P/Q-P) by the *Monterey County 2010 General Plan* (2010 General Plan) and *Carmel Valley Master Plan* (CVMP; the CVMP is included in the General Plan). This designation is consistent with the site's long-time use as a public golf course. A Special Treatment Area (STA) overlay was added as part of the 2010 General Plan update to allow for residential development subject to certain provisions, discussed in more detail below. This STA overlay would allow residential development without a change to the underlying land use/zoning designation provided the project conforms to STA provisions.

- The 130-unit Alternative would be allowed under the STA. However, the applicant proposes to reduce the proportion of affordable units required, which requires a General Plan Amendment (Amending the STA language in Policy CV-1.27). Although not technically required, the applicant also requests changing the land use/zoning designation from P/Q-P to residential. Under the 1982 General Plan, the 130-Unit Alternative would require changing the land use/zoning designation from P/Q-P to medium density residential, and be subject to providing 20% affordable units at various income levels (very low, low, moderate).
- The 281-unit Project would be allowed under the STA and could meet the affordability proportion. However, a buildout cap established in the 2010 General Plan (CV-1.6) only has capacity for 160 units. Amending the cap in CV-1.6 would require agreement from Carmel Valley Association (CVA) in accordance with a settlement agreement between CVA and County. Under the 1982 General Plan, the 281-Unit Project would require changing the land use/zoning designation from P/Q-P to high density residential, and be subject to providing 20% affordable units at various income levels (very low, low, moderate).

Environmental Review

Both the Project and the Alternative are fully analyzed in the *Rancho Canada Village Project Environmental Impact Report* (EIR):

- Recirculated Draft Environmental Impact Report (RDEIR) was prepared for this proposal and re-circulated (a previous Draft EIR was prepared and circulated for comment in January 2008) for public comment from June 2 through August 8, 2016, a comment period of 68 days. The Carmel Valley Association requested an extended comment period in order to prepare their comments; based on this request, RMA-Planning staff granted the Association until August 31 to submit its comments and, accordingly, accepted and responded to comments from other individuals, organizations or agencies that submitted comments between the noticed August 8 RDEIR comment deadline and August 31.
- Draft Final Environmental Impact Report was provided to the Planning Commission on November 9, 2016. The draft FEIR includes response to comments received during the comment period. Some text in the RDEIR was amended as a result of comments received. Staff finds that responses amplify and clarify the RDEIR analysis and there is no need to recirculate the RDEIR. The RDEIR and the FEIR combined constitute the EIR being considered. CEQA requires that the Lead Agency (County) shall provide written response to public agencies 10 days prior to certifying and EIR (CEQA Guidelines, Section 15088). The 10 days is specific to public agencies that submitted comments, and to the Board of Supervisors as the final decision-making body. Staff will provide the Final EIR to applicable public agencies at least 10 days prior to the Board hearing (scheduled for December 13/ 14, pending Commission action).

The RDEIR addressed a range of CEQA issues and resource areas, including: land use, traffic and transportation, visual aesthetics, hydrology/flooding, water supply, biological resources, geology and soils, and construction impacts. Traffic, hydrology and water supply are the main environmental issues associated with the Project and Alternative, with the Alternative generally having less of an environmental impact (the RDEIR identified the 130-unit Alternative as the “environmentally superior alternative” of the alternatives considered) than the Project due to its reduced scale. All of these issues are discussed in greater detail later in this report.

ANALYSIS

General Plan/Carmel Valley Master Plan

At the time the Project was deemed complete in August 2005, the operative policy documents in effect was the 1982 General Plan and 1987 Carmel Valley Master Plan (CVMP). These plans did not contain provisions allowing residential subdivision and land use on the Golf Course site. As such, the Project was fundamentally inconsistent with the site’s P/Q-P land use designation (and P/Q-P zoning) under the 1982 General Plan. The application included a Specific Plan that would become the operative policy regulations for the subject property.

The 1987 CVMP included a buildout cap for new residential units and lots (Policy 27.3.5 CV). At the time the application was deemed complete, the number of units proposed by the Project was below that remaining under the 1987 CVMP cap.

On October 26, 2010, the Board of Supervisors adopted the 2010 Monterey County General Plan, including an updated CVMP. Following a lengthy process that included consideration of a Community Area or Rural Center designation at the mouth of the Carmel Valley, the 2010 GP established a residential subdivision building cap (CVMP Policy CV-1.6) of 266 new residential lots or units in Carmel Valley. In recognition of the proposed RCV Project, the 2010 General Plan also established a Special Treatment Area (CVMP Policy CV-1.27) for the Rancho Canada Golf Club site that would allow residential development to occur despite the Area’s underlying P/Q-P General Plan land use and zoning designations. Residential subdivision and development is not otherwise allowed on P/Q-P designated properties (the exception being one residence on an existing P/Q-P designated lot) in Monterey County. 2010 General Plan Policy CV-1.27 states in full:

Special Treatment Area: Rancho Canada Village – Up to 40 acres within properties located generally between Val Verde Drive and the Rancho Canada Golf Course, from the Carmel River to Carmel Valley Road, excluding portions of properties in [the] floodplain shall be designated as a Special Treatment Area. Residential development may be allowed with a density of up to 10 units/acre in this area and shall provide a minimum of 50% Affordable/Workforce Housing. Prior to beginning new residential development (excluding the first unit on an existing lot of record), projects must address environmental resource constraints (e.g.: water, traffic, flooding). (APN: 015-162-017-000, 015-162-025-000, 015-162-026-000, 015-162-039-000 and 015-162-040-000, 015-162-033-000, 015-162-035-000, 015-162-036-000, 015-162-037-000, 015-162-038-000, 015-021-005-000)

The 2010 General Plan also includes Land Use Policy LU-9.3 (consistent with Subdivision Map Act Section 66474.2), which states:

Tentative subdivision maps for both standard and minor subdivisions that were approved prior to the adoption of this [2010] general plan may record final maps subject to meeting all conditions of approval and other legal requirements for the filing of parcel or final maps. Applications for standard and minor subdivision maps that were deemed complete on or before October 16, 2007 shall be governed by the plans, policies, ordinances and standards in effect at the time the application was deemed complete (emphasis added). Applications for standard and minor subdivision maps that were deemed complete after October 16, 2007 shall be subject to this General Plan and the ordinances, policies, and standards that are enacted and in effect as a result of this General Plan.

Subsequent litigation by Carmel Valley Association (CVA) resulted in amendments to the CVMP in February 2013. Amendments included lowering of the building cap to 190 new residential units, 24 units of which are reserved for the Delfino Property (former Carmel Valley Airport). Effectively, 166 units would be available for use other than on the Delfino property. The establishment of the 190-unit cap under CVMP Policy CV-1.6 is a guiding policy in terms of land use, development and traffic control throughout Carmel Valley.

To date, six (6) units subject to the cap having been approved to date. This essentially means that with the Delfino property reservation there are 160 new units currently available under the residential cap. The 281-unit RCV Project would meet the 1987 CVMP unit cap and original cap of 266 lots/units in 2010 GP (multiple units on a lot), but it exceeds the amended 2010 unit cap (190 units with 24 allocated to Delfino). The 130-unit Alternative is within the limits of all three unit caps.

Rancho Canada Village Special Treatment Area allows for residential development on the Rancho Canada Golf Course site subject to density (up to 10 units per acre), area (up to 40 acres) and housing affordability (50% affordable/workforce housing) criteria. When the Special Treatment Area was adopted, all of these criteria had been tailored to accommodate the 281-unit RCV Project, as it was then proposed. In 2014, in response to the CVMP's 190-unit cap and community concerns expressed about the original Project being too dense and urban and potentially out of character with semi-rural Carmel Valley, the applicant, Ranch Canada Ventures, LLC, devised a scaled-down, 130-unit Alternative consisting of single-family lots, duet units (single-family attached residences that share a common wall along a property line) and condominiums. Given the significant reduction in residences, from 281 to 130, the applicant does not propose that the 130-unit Alternative, like the Project, consist of 50% affordable or workforce housing units, as specified in the Special Treatment Area. The 130-unit Alternative, submitted to the County after the adoption of the 2010 General Plan, proposes 25 (20%) moderate units, which requires a General Plan Amendment eliminating or modifying the "50% Affordable/Workforce Housing" provision of Policy CV-1.27 in order to find the Alternative in conformance with the 2010 General Plan.

As an alternative to amending the STA language, the 130-unit Alternative could be allowed through a General Plan Amendment to the CVMP Land Use Plan, amending the land use designation of the RCV site from P/Q-P to Medium-Density Residential, consistent with the Alternative's proposed residential density. This would leave the Special Treatment Area's 50%

affordable/workforce housing criteria intact and the Special Treatment criteria could still be applied to the remainder of the Special Treatment Area, that being the approximately 180-acre East Golf Course. However, given the recent acquisition of Rancho Canada's East Golf Course by the Trust for Public Land for conversion to parkland and open space uses as well as the 40 acre cap in the STA, it is unlikely that a future residential project of any kind would be developed under the STA.

In consultation with county counsel, staff determined that the superseded 1982 General Plan cannot be amended. As such, the Project is subject to the current 2010 General Plan, which allows residential use on the Rancho Canada Golf Course site through its Special Treatment Area provisions, discussed above. As proposed, both the 281-unit Project and the lower-density 130-unit Alternative would require amending the 2010 General Plan/CVMP:

- 281-unit Project to allow new units in excess of the 190-unit cap.
- 130-unit Alternative to reduce the 50% affordability requirement to 20%

One additional issue related to amending the 2010 General Plan, Land Use Policy LU-9.6, which states in part:

“The Board shall consider two packages of general plan amendments per year. Projects deemed complete prior to October 16, 2007 shall not be subject to this limit;”

Based on this Policy, the project would not be subject to the two-times-per-year General Plan Amendment limitation due to its August 2005 completion date.

Inclusionary Housing Ordinance

At the time the project was deemed complete in 2005, the County's Inclusionary Housing Ordinance (Section 18.40.070A MCC) required subdivision to include 20% of units (very low, low, moderate income levels) on site. Section 18.40.070A MCC states, “to satisfy its inclusionary requirement on-site, a residential development must construct inclusionary units in an amount equal to or greater than twenty (20) percent of the total number of units approved for the residential development.” The Project site consists of five existing parcels that would allow one residential unit per lot. As such, the 130-unit Alternative would have a net increase of 125 units.

With an interpretation that the terms “lots” and “units” are synonymous, a minimum of 25 inclusionary units would be required for 125 additional lots. If 20% is based on 130 units, the applicant would be required to provide 26 affordable units. The applicant has proposed to construct 25 rental units affordable to moderate-income households only (no on site units for low or very low income levels).

The Inclusionary Housing Ordinance also requires that the 20% affordability requirement be dispersed over a range of household income levels (8% moderate-income; 6% low-income; 6% very low-income) rather than focused on one income category, unless the decision-maker finds that the requirements would cause a taking or it would be appropriate to modify the requirements as a result of unusual or unforeseen circumstances (Section 18.40.050B.2 of Monterey County Code) ; in this case the applicant has proposed moderate-income rental units only. The applicant has stated that due to the significant reduction in units proposed between the Project and the Alternative it is not financially feasible to comply with the Inclusionary Ordinance's requirements, particularly related to providing low and very low-income units. As an alternative

to building 25 moderate-income rental units onsite, the applicant has stated that 8% (10 units) of the 130 units could be built onsite for moderate- income households and approval sought from the County to pay an in-lieu fee for the required very low and low-income units. Payment of an in-lieu fee would require applicant to demonstrate that “specific characteristics of the site, such as lack of access to services, zoning which requires large lot development, or potentially high site maintenance costs, make the site unsuitable for development.” (Section 18.40.090.C of Monterey County Code.) Should, ultimately, a fee be paid in lieu of actually building affordable units onsite, for the foreseeable future there is limited opportunity in Carmel Valley to develop affordable housing since affordable housing units are not exempt from the 190-unit cap.

In addition to the Inclusionary Ordinance, there are other policy considerations related to affordable housing that need to be considered in the context of the 130-unit Alternative, specifically, 2010 General Plan Policies LU-2.13 and LU-1.19.

General Plan Land Use Policy LU-2.13

Policy LU-2.13 of the 2010 General Plan requires changing the Inclusionary Housing Ordinance to require a proportion of 25% affordable units, retaining the 20% for low, very-low and moderate income levels and adding 5% for workforce units. Policy LU-2.13 states:

The County shall assure consistent application of an Affordable Housing Ordinance that requires 25% of new housing units be affordable to very low, low, moderate, and workforce income households. The Affordable Housing Ordinance shall include the following minimum requirements:

- a) 6% of the units affordable to very low-income households*
- b) 6% of the units affordable to low-income households*
- c) 8% of the units affordable to moderate-income households*
- d) 5% of the units affordable to Workforce I income households*

As stated, above, the County’s Inclusionary Housing Ordinance (Chapter 18.40) requires 20% of new housing units to be affordable to very low, low and moderate-income households at the percentages specified in Policy LU-2.13. Unlike Policy LU-2.13, the Inclusionary Ordinance does not require 5% of new units to be affordable to Workforce I (120%-140% of median County household income) income households. To date, no residential projects have been required to provide 25% affordable units, consistent with Policy LU-2.13.

As stated, the basis for the applicant’s position for the Alternative to provide 20% affordable units to moderate income households is the significant reduction in units from the original 281-unit Project, which understandably made a higher proportion of affordable/workforce units more financially viable. It is plausible that had the 130-unit Alternative been a likely or foreseeable option at the time that the site’s Special Treatment Area designation (CVMP Policy CV-1.27) was adopted the requirement for a minimum of 50% affordable/workforce housing would not have been included. The 130-unit Alternative, at 3.25 units/acre (based on 40 acres), is well below the 10 units/acre density allowed by the Special Treatment Area, indicating a fundamental relationship (i.e., the greater the density the greater the percentage of affordability) between density and affordability. The issue then regarding affordability is whether the 130-unit Alternative should:

- 1) Comply with the existing Inclusionary Ordinance requirements (20% total affordable units: 6% very low, 6% low and 8% moderate-income);

- 2) Comply with General Plan Policy LU-2.13 requiring 25% of new housing units to be affordable (20%) and Workforce I (5%);
- 3) Provide moderate income units onsite, as proposed by the applicant, with the option of paying an in-lieu fee for the required very low and low-income units required by the existing Inclusionary Ordinance.
- 4) Maintain the Special Treatment Area criteria of “a minimum of 50% affordable/Workforce Housing.” As discussed, the Special Treatment Area affordability criteria could be maintained and the 130-unit Alternative could be approved by amending the CVMP Land Use Plan from P/Q-P to Medium-Density Residential. This, however, would leave only the East Golf Course subject to the Special Treatment Area and the East Course is likely to be converted to parkland and open space use in the near future, following its acquisition by the Trust for Public Land.

Since approval of the 130-unit Alternative would require a General Plan Amendment, either a text amendment to the site-specific Special Treatment Area language or the CVMP Land Use Plan, there is flexibility to choose from the options cited, above. Given that General Plan Policy LU-2.13 specifies 25 % of new housing units be affordable (20%) and Workforce I (5%) that would appear to be a reasonable requirement for the Alternative based on the significant reduction in units (281 to 130) proposed by the applicant while maintaining consistency with the 2010 General Plan.

These options were presented to the Housing Advisory Committee (HAC). By Code, the HAC provides recommendations on variation from the Inclusionary Housing Ordinance. The HAC was not able to reach consensus on a recommendation for this project.

2010 General Plan Land Use Policy LU-1.19

An additional consideration in relation to the Project and more particularly the 130-unit Alternative is General Plan Land Use Policy LU-1.19, which calls for the establishment of a Development Evaluation System (DES) for areas of the County outside of Community Areas, Rural Centers and Affordable Housing Overlay Districts. Despite being a distinctive, identifiable unincorporated community within Monterey County, the General Plan does not identify Carmel Valley as a Community Area. During the development of 2010 GP, this area was considered for designation as a Community Area, Rural Center or Affordable Housing Overlay recognizing proximity to services at the mouth of the Valley.

Once established (the DES is not yet in place), the DES would provide a quantitative means of evaluating development proposed in areas of the County not targeted or especially suited for development. Essentially, the objective of the DES is to strongly discourage or avoid “leap frog” development not proximate to urbanized or community areas where public services and facilities exist. The DES criteria specified in Policy LU-1.19 are:

- a. Site Suitability*
- b. Infrastructure*
- c. Resource Management*
- d. Proximity to a City, Community Area, or Rural Center*
- e. Mix/Balance of uses including Affordable Housing consistent with the County Affordable/Workforce Housing Incentive Program adopted pursuant to the Monterey County Housing Element*
- f. Environmental Impacts and Potential Mitigation*

- g. Proximity to multiple modes of transportation*
- h. Jobs-Housing balance within the community and between the community and surrounding areas*
- i. Minimum passing score*

Residential development shall incorporate the following minimum requirements for developments in Rural Centers prior to the preparation of an Infrastructure and Financing Study, or outside of a Community Area or rural Center:

- 1) 35% affordable/Workforce housing (25% inclusionary; 10% Workforce) for projects of five or more units to be considered.*
- 2) If the project is designed with at least 15% farmworker inclusionary housing, the minimum requirement may be reduced to 30% total.*

This Development Evaluation System shall be established within 12 months of adopting this General Plan.

This Project is infill in nature (the site has been developed as a 36-hole public golf course for over 40 years) and location at the Mouth of Carmel Valley, near existing communities, major roadways and services. In addition, the STA designation applies a distinct intent for a higher level of development in this area.

RCV Project and 130-unit Alternative are consistent with the majority of the specified DES criteria, if the criteria are deemed to apply to an infill location such as the proposed site. As with the Special Treatment Area, the Inclusionary Ordinance and General Plan Policy LU-2.13, the one clear area of inconsistency between the 130-unit Alternative and the DES is the proportion (and income level) of affordable housing proposed.

In areas subject to the DES, the DES calls for new residential development to provide “35% affordable/Workforce housing,” 10% more than General Plan Policy LU-2.13. However, as discussed, above, the RCV site is designated as a Special Treatment Area (CVMP Policy CV-1.27) by the 2010 General Plan; a site-specific designation that was established in acknowledgement of the RCV Project and, accordingly, treats the property in a manner unique to its location. Under the Special Treatment Area designation, the 281-unit Project would provide nearly 50% affordable/workforce housing, but, as discussed, due to the unit cap in CVMP Policy CV-1.6 the 281-unit Project cannot be approved without a General Plan Amendment increasing or eliminating the 190-new units cap, an unlikely occurrence given the community’s support of the cap, which was established just over three years ago through a settlement agreement. Therefore, as previously discussed, a General Plan Amendment modifying the Special Treatment Area’s 50% affordable/workforce housing provision is proposed in order to allow for the 130-unit Alternative.

Specifically, in terms of “site suitability,” “proximity to cities and communities,” and “multiple modes of transportation,” the project’s location at the Mouth of Carmel Valley, near a mix of commercial development and immediately adjacent to higher-density housing, makes the site suitable for the type of residential development proposed. Moreover, the site’s suitability for a residential project like the RCV proposal is reflected in the Special Treatment Area designation and criteria placed on the project site, allowing for a residential project of this scale and density on the existing Rancho Canada Golf Course. The site’s location also provides direct access to Carmel Valley Road, the principal east-west transportation corridor through the valley, and

efficient access to Highway 1, the major north-south transportation corridor 0.6 miles west of the proposed RCV site. Additionally, the nearby Monterey Peninsula communities of Carmel-by-the-Sea, Pacific Grove and Monterey are within short travel distance of the site and offer a wide range of commercial and personal services, employment opportunities and, alternate modes of transportation, including bus access, bicycling and walking.

Regarding “infrastructure and services,” the site has long been developed and used as a public golf course, meaning that the proposed RCV project will result in less water usage than baseline conditions. For instance, it is estimated that the residential component of the 130-unit Alternative will use approximately one-third the water currently used by the West Course. To reiterate, the site’s location in the more intensely developed Mouth of the Valley also makes it a suitable location to more efficiently connect to other necessary infrastructure, such as sewer, and to be more conveniently served by existing services, such as fire, police and schools.

Regarding the criteria “mix/balance of uses” and “jobs-housing balance,” the Project and Alternative propose a significant amount of much-needed housing at the Mouth of the Valley. As discussed, the Alternative is subject to the County’s Inclusionary Housing Program, and through the mix of housing types (i.e., small-lot single-family detached, duet units and apartments/condominiums) proposed should be “affordable by design” relative to the large-lot, single-family detached residences more characteristic of Carmel Valley. While the majority of the Alternative’s proposed units would not be subject to deed restriction, ensuring long-term affordability based on income category (such as very low, low, moderate or workforce), the proposed mix of small-lot attached and detached housing units builds in a degree of relative affordability and would, based on recent housing trends, provide housing types more in sync with younger, working families and seniors. As stated by the applicant, due to the significant reduction in housing units from the original 281-unit Project, the 130-unit Alternative would not, however, meet the “35% affordable/workforce housing criteria specified in Policy LU-1.19.

Finally, regarding “resource management” and “environmental impacts and potential mitigations,” the RCV Project and Alternative propose to create a residential development that would be compatible with the remaining 18-hole East Golf Course (which will likely become permanent open space and park land in the near future based on the site’s recent purchase by the Public Trust for Land) and the surrounding park and open space land to the south. Specifically, the RCV Project and Alternative would add and enhance native landscaping, trails and natural-looking ponds to accommodate onsite drainage and benefit wildlife. The project site will also include connections to the existing bridge over the Carmel River, linking the site with Palo Corona Regional Park, and will maintain wildlife corridors allowing species access through the site to regional open space areas.

In summary, when considered in relation to the DES criteria specified in General Plan Land Use Policy LU-1.19, the Project is, overall, consistent and, excepting the Policy’s 35% affordable housing criteria, the Alternative is consistent as well. By adopting the proposed General Plan Amendment, modifying the Special Treatment Area to allow for a minimum provision of 20% affordable housing, notwithstanding any other General Plan policies, this inconsistency will be resolved.

Flood Control and Drainage Improvements

This site is located along the northern levee of the Carmel River. In 1995 and 1998 the northern levee failed resulting in river flow through Rancho Canada Golf Course, down Rio Road, and over SR1 into Hatton Fields. Community Service Area (CSA) 50 has commissioned various

studies to address both riverine and interior drainage impacts. Currently water sheet flows across properties west of the school toward Val Verde Drive because there is no defined drainage swale. A study recently completed for CSA 50 in 2014 (updating a 2002 study/plan) identifies a drainage swale collecting runoff from under Carmel Valley Road along the western border of the middle school straight down to the Carmel River.

As part of an adopted plan, this property would be subject to dedicating an easement for future drainage along its western border. At a minimum, the County would be looking to create an open swale from Carmel Valley Road to Carmel River. The applicant's design includes a below-grade pipe oriented in a north-south direction along the site's western boundary. This pipe would connect to a future County drainage project, immediately to the north, that would direct storm water from Carmel Valley Road to the Carmel River, greatly lessening storm water-related flood impacts in the area.

The Alternative also includes the installation of a large culvert (10' x 12') along the site's western edge that would address riverine flooding. These improvements, not required through the CEQA process as mitigations, should lessen both riverine and storm water-related flooding for properties at the mouth of the Valley.

Policy PS-3.2 Long-Term Sustainable Water

The fundamental intent of the County General Plan Goal PS-3 and associated policies PS-3.1 and PS-3.9 (and other related policies) is that new development must have a long-term water supply in terms of quantity and quality. The analysis shows that the Proposed Project or the 130-unit Alternative would not increase consumptive water use, would result in increased recharge to the Carmel Valley Alluvial Aquifer, and would not result in any substantial adverse effect on Carmel River instream flows. In regards to quality, the Proposed Project or the 130-unit Alternative would draw water from the same location that Cal-Am already draws water to serve its customers. Regardless of the mode of water delivery for the proposed residential use (Cal-Am distribution system or a separate community services district or mutual water company), the water can be treated to all regulatory standards just like the water being drawn at present from Cal-Am wells on the Rancho Canada golf course property and in nearby adjacent areas. Thus, the water source is of an acceptable water quality.

The proposed water supply for this project was reviewed using the criteria in County General Plan Policy PS-3.2 (Policy criteria in italics):

- *Water Quality:* Water is the same quality as current local Cal-Am wells and is thus of acceptable water quality. See discussion above.
- *Authorized production capacity of a facility operating pursuant to a permit from a regulatory agency, production capability, and any adverse effect on the economic extraction of water or other effect on wells in the immediate vicinity, including recovery rates:* The analysis in the EIR shows that the on-site pumping levels would be less than baseline pumping levels which will help with groundwater recharge and thus would have no adverse effects to other wells or groundwater level recovery.
- *Technical, managerial and financial capability of the water purveyor or water system operator:* If the project is served by Cal-Am, it has proven capabilities to deliver water. If a separate water system is proposed, the Project Applicant will be required to obtain all necessary permits for the separate water delivery system and to demonstrate to the County's satisfaction that the water delivery system can deliver water consistently and

perpetually to the project. With mitigation, the project's water supply can meet this criteria.

- *The source of the water supply and the nature of the right(s) to water from the source:* There are riparian rights associated with the project site that meet the water needs of either the Project or Alternative. The Applicant is also seeking to obtain an appropriate right from the SWRCB in order to facilitate the proposed water transfer.
- *Cumulative impacts of existing and projected future demand for water from the source, and the ability to reverse trends contributing to an overdraft condition or otherwise affecting supply:* Cumulative conditions were taken into account when establishing significance criteria for the water supply analysis in the EIR as no net increase in consumptive water use, no net reduction in groundwater recharge, and no substantial adverse change in instream flows in the Carmel River. The project's water supply impact will not exceed any of the significance criteria. The project would reduce water use relative to baseline and help to reverse cumulative trends of water supply impacts on the Carmel River.
- *Effects of additional extraction or diversion of water on the environment including on instream flows necessary to support riparian vegetation, wetlands, fish or other aquatic life, and the migration potential for steelhead, for the purpose of minimizing impacts on the environment and to those resources and species:* The project's water supply will not result in a net increase in consumptive water use, no net reduction in groundwater recharge, and no substantial adverse change in instream flows in the Carmel River. Thus, it will not result in any additional extraction or diversion of water impacts on the environment and will not result in impacts to riparian vegetation, wetlands, fish or other aquatic life, or migration potential for steelhead. The project instead should benefit riparian vegetation, wetlands, fish and other aquatic life and help improve spring and summer instream flows.
- *Completion and operation of new projects, or implementation of best practices, to renew or sustain aquifer or basin functions:* The project will not adversely affect aquifer or basin functions and will not hinder other efforts to renew aquifer or basin functions, such as the development of an alternative water supply to Cal-Am's withdrawals in excess of its current water rights or the dedication of water to instream uses by others. The project will instead contribute to sustaining aquifer and basin functions.
- *The hauling of water shall not be a fact or nor a criterion for the proof of a long term sustainable water supply:* Hauling of water is not proposed by either the Project or the Alternative.

With proposed Mitigation Measure PS-1 to ensure delivery of the project's water supply and constrain it to a maximum of the amounts estimated in this EIR, the Proposed Project or the 130-unit Alternative is considered to have a long-term sustainable water supply because it has already met the relevant criteria and/or will be required to meet the relevant criteria prior to issuance of any building permits.

Transportation/Traffic

130-unit Alternative, unlike the Project, is consistent with abandonment of the Official Plan Line for the extension of Rio Road (CV-2.19). Access on the western edge of the property connecting to the existing Rio Road would be limited to pedestrian, bicycle and emergency vehicles only as part of the Alternative.

Traffic impacts to Highway 1 and Carmel Valley Road are the only impacts of the Project and Alternative that cannot be mitigated to a less than significant level. The Alternative would generate far fewer vehicle trips and generate less overall traffic due to the significant reduction in new residential units in comparison to the Project, but the Alternative would nevertheless result in traffic impacts that cannot be mitigated to a less than significant level, even though traffic mitigation measures, such as fair-share payment of fees (i.e., CVTIP Traffic Impact fee), are required.

An additional traffic/transportation-related issue was brought to staff's attention after the close of public comment on the RDEIR and the September 14 Planning Commission workshop on the Rancho Canada proposal. The issue is the retention of the existing parking lot east of the RCV site that served the 36-hole golf course. Since the RCV Project/Alternative would "remove" 18 holes of the overall golf course (i.e., one full championship course) from operating, the Transportation and Traffic section of the RDEIR accounted for this loss of 50% of the total golf course by subtracting (Table 3.7-8 Rancho Canada Village Project RDEIR) the average daily vehicle trips (414) generated by the 18-hole course from the average vehicle trips that would be generated by the Project (2,460) or Alternative (1,325). The subtraction of trips in a situation like this is standard practice in traffic analysis. The golf course is the Project/Alternative's baseline condition and 18 holes of the golf course would be displaced by the Project/Alternative on the West Course. The golf course was the generator of the vehicle trips, not the presence of the parking lot. So, whether the existing parking lot that served both 18-hole golf courses remains the trips associated with the use are no longer occurring. Should a subsequent parks or open space project (the existing parking lot is on land recently acquired by the Trust for Public Land for park purposes) be proposed in the future, on the site that includes the parking lot, then the lot's adequacy to serve the proposed open space use would be a valid issue.

Other Project Alternatives Considered in the EIR

In addition to the 130-unit Alternative, which was described and evaluated at a level equivalent to the Project, six additional alternatives to the Project were considered in the EIR, they are: 1) No Project Alternative; 2) East Golf Course Alternative; 3) Medium-Density Alternative (186 units); 4) Low-Density Alternative (40 units); 5) Rio Road Extension Emergency Access-Only Alternative; 6) Stemple Property Avoidance Alternative.

The No Project Alternative would result in just that, no project; the site would remain the former West Course (the West Course ceased operation earlier this year) of the Rancho Canada Golf Club and no development, residential or otherwise, would occur. The East Course Alternative considered developing the Project on the East Course of the Rancho Canada Golf Club in order to create a greater physical separation from Carmel Middle School, the church and residential areas to the west of the Project site. The East Course Alternative was not considered viable, however, since the development area needed would encroach into the Carmel River Floodplain. Moreover, now that the East Course properties have been acquired by the Trust for Public Land for park and open space purposes, this alternative is rendered infeasible. The Rio Road Extension Emergency Access-Only and Stemple Property Avoidance Alternatives considered minor changes to the Project related to limiting vehicular access (Rio Road) and the exclusion of a small, oddly-shaped property (Stemple) on the Project's northern boundary. Neither of these

alternatives would result in any significant differences from the Project and the 130-unit Alternative already incorporates the defining elements of both these alternatives (i.e., Rio Road would be used only for pedestrian, bicycle and emergency vehicle access and the Stemple Property is not included) into its design.

The two remaining alternatives, Medium-Density (186 units) and Low-Density Alternatives, consider residential projects at densities less than the proposed Project at the Project location. The Medium-Density Alternative includes 186 residential units, 95 fewer than the original Project and would therefore lessen, though not avoid, some resource impacts, such as traffic. Similar to the Project, though, the Medium-Density Alternative would require an increase to the CVMP Policy CV-1.6 residential unit cap in that it includes 26 more units than the remaining cap (160) allows. The Medium-Density Alternative would meet the Project objectives of creating a residential community that would include affordable/workforce housing, though at a much smaller proportion than the Project (the Medium-Density Alternative would include approximately 44 affordable/workforce units, 24% of the unit total). From a policy standpoint, the Medium-Density Alternative does not comply with either the Carmel Valley unit cap or the Special Treatment Area affordability requirements. The Low-Density Alternative includes 40 new lots/residences and assumes the same amount of open space (approximately 40 acres) proposed by the Project would be retained. Thus, the site would be developed with lots averaging about one-acre in area, more in keeping with the semi-rural character of Carmel Valley. This alternative, however, would obviously result in far fewer new housing opportunities than both the Project and the 130-unit Alternative and is at a density well below that anticipated, or allowed, by the Special Treatment Area (10 units/acre).

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