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September 11, 2007

Chairman Don Rochester Monterey County Planning Commission 168 West Alisal Street Salinas, CA 93901

RE: Recommendation to the Monterey County Planning Commission for GPU5

Dear Chairman Rochester and Members of the Commission:

LandWatch Monterey County appreciates the opportunity to comment on the recommendations provided to the Commission from its Ad-Hoc Subcommittee.

We support the Subcommittee's recommendations concerning the review of Area Plans by the Land Use Advisory Committees (LUACs) and the process for General Plan Amendments. We also strongly support the recommendations concerning Community Areas and Rural Centers. We feel that the elimination of the four Rural Centers (Prunedale, River Road, two along Highway 68) is very important to ensuring that GPU5 constitutes a plan that is substantially different from GPU4, and meets the Board of Supervisors' stated goal of adopting a plan which achieves a meaningful compromise.

Perhaps the most important goal of a good general plan is to make the difficult decisions about where in the unincorporated we should grow, and where we should not grow. LandWatch believes that the Ad-Hoc Subcommittee's recommendations do a good job of identifying where in the unincorporated county we should grow. The recommendations do not, however, clarify the areas in the unincorporated county where we should not grow, nor do the recommendations include policies that will adequately prevent irresponsible growth outside Community Areas and Rural Centers.

Development Outside Community Areas (CAs) and Rural Centers (RCs)

The primary problem with the recommendations for development outside CAs and RCs is their reliance on the specific densities as currently shown in the existing 1982 Area Land Use maps. While the specific densities remain appropriate for many areas of the county, the mapped densities in many areas of North County, the Highway 68 Corridor, and Carmel Valley will allow growth that will significantly surpass our ability to provide the necessary infrastructure in these areas.

Significant portions of the Corral de Tierra/San Benancio area off of Highway 68 are currently zoned to allow subdivisions which would result in new one acre parcels. The recent El Toro Groundwater Study confirms that the severe overdraft, which prompted the 1992 moratorium on

subdivisions (under the B-8 zoning), still exists. Similarly, significant portions of North County are zoned to allow subdivisions resulting in new lots that are as small as five acres, 2.5 acres or a single acre. In 2003, a memo from Curtis Weeks of MCWRA recommended that "growth should not be intensified in North County" because of significant challenges to the long term water supply.

The specific densities in the Area Land Use maps relevant for North County, the Highway 68 Corridor, and Carmel Valley should be changed to preclude subdivisions resulting in new parcels of less than 40 or perhaps 20 acres.

It is clear that the intent of the Ad-Hoc Subcommittee's recommendations is to depend on policies requiring adequate water and traffic infrastructure, in order to prevent irresponsible growth. We believe that it is a mistake to set forward policies requiring an elaborate case by case approach to approving subdivisions at densities (in some areas) that will never be supported by water and traffic infrastructure for the foreseeable future. This kind of process gives property owners a false sense of opportunity and encourages them to engage in an expensive and time consuming approval process that should not be undertaken in the first place. The second problem with this approach is that the water and traffic infrastructure policies in the Ad-Hoc Subcommittee's recommendations, as they are currently worded, do not provide the kind of clarity nor rigor that will prevent irresponsible subdivision approvals.

Infrastructure: Water

Assuring adequate and safe water supply is a decades-old problem in Monterey County. The subcommittee recommends defining a long-term water supply as 20 years. As with GPU4, this "long-term supply" won't last as long as the term of a standard mortgage.

Policy PS-3.3(a-h) fails to address water distribution systems. Although criteria used for proof of water includes effect on wells in the immediate vicinity [PS-3.3(d)], there is no requirement to evaluate the cumulative effects on existing groundwater conditions [PS-3.3(e)].

Policy PS-3.3(h) concludes that the "status and surety" of a planned new water supply can be satisfied by completion of design, financing mechanism and environmental review of the project. This is insufficient because it does not require allocation, delivery or distribution of water. Without these, there is no "surety." The Salinas Valley Water Project (SVWP) is a case in point. In the five years since it was approved by voters, the SVWP more than doubled in cost. The financing mechanism changed to include publicly funded grants. Although an EIR was certified, the urban population to benefit from the project was significantly underestimated. Although an EIR was certified; after-the-fact mitigations, costing hundreds of thousands of dollars annually, were added by NOAA as permit conditions. Although all property owners within the project boundaries pay for the project, only a few north county farmers will receive direct water deliveries. Until the project is built and in operation for several years, until monitoring wells prove that water levels are rising, there is no "surety" to the SVWP because it lacks allocation and delivery.

In areas such as Prunedale, the Highway 68 Corridor, and Carmel Valley, in which water supply and quality are already severely undermined, the policy criteria for a "Long-Term Sustainable Water Supply Project," even with the Ad-Hoc Subcommittee's new language, is inadequate. Our

local experience with escalating projected costs, ever changing estimates of water produced, and continued delays in the completion of water projects makes it untenable for "planned" projects to be depended on in areas where the current supply is so fragile. In the areas identified above, new subdivisions should not be approved until the water systems intended to meet the long-term need are actually operational and providing water.

Infrastructure: Traffic

The Ad-Hoc Subcommittee's recommendation says that "Planned development in the unincorporated County under GPU5 is not intended to cause reductions in the levels of service on roads we manage." The recommendations also prohibit development "that would degrade service below LOS D, or in areas where the LOS is already below D." There are many areas outside of Community Areas, however, where the current LOS is C or better. If planned development is not intended to cause reductions in LOS, the policies should explicitly prohibit development that would degrade service below LOS C in areas that are currently at LOS C or better.

The recommendations allow level of service could drop lower than LOS D in Community Areas (CA) and in Affordable Housing Overlays (AHO). However, several CAs and AHOs are located at the intersections of major regional and/or state roadways. For example, Castroville straddles Highways 156 and 183. The mouth of Carmel Valley is at the intersection of Carmel Valley Road and Highway 1. Allowing levels of service to drop below D in these areas will create a bottleneck and lower levels of service regionally. Lower levels of service within those CAs and AHOs may be offset by development benefits. However, regionally, service will decline with no offsetting benefit. Criteria should be established to ensure that increased development in CAs and in AHOs will not lower the LOS D standard at the intersections of major regional and/or state roadways.

Finally, LOS D is only to be achieved by 2026 (C-1.2). Between the adoption of the general plan and 2026, road level of service can deteriorate further. There are no benchmarks leading up to 2026 to ensure that LOS D will, in fact, be achieved by 2026. Benchmarks should be established, in addition to the completion of the CFIP, to ensure that LOS D will be achieved by 2026.

Capital Financing and Improvement Program (CFIP)

Providing infrastructure for the growth envisioned in the General Plan depends upon identifying and financing the needed infrastructure. This determination is essential for complying with CEQA's requirement that projects be mitigated prior to approval and that mitigations be feasible.

The subcommittee's recommendation that a capital financing and improvement program (CFIP) be completed within 18 months of adoption of the Monterey County General Plan is better than GPU4, which established no deadline for completion of a CFIP. But State General Plan Guidelines and law established in the courts require a general plan to reflect both the anticipated level of land development and the road system necessary to serve that level as represented in the circulation element. GPU5 can not meet this requirement through a CFIP adopted after the approval of the General Plan. This State-wide requirement has been in place for more than 20 years. While there is adequate justification to delay addressing global warming concerns due to very recent legislation, there is absolutely no excuse to delay preparing an adequate circulation element.

The CFIP, or a more limited plan that would show "the planned roadway improvements that will exist to service build-out" should be completed in conjunction with and as part of the General Plan.

Another concern is the language in the staff report referring to the CFIP as a "concept-level" program. "Concept-level" is not defined. However, there are numerous existing examples of "concept-level" infrastructure which has never been built but which has been used to justify continued subdivision. For example, the Highway 101 Bypass has been around "in concept" since the 1950s. No funding is earmarked for its construction within the 2026 time horizon. Conceptual infrastructure plans absent real funding and implementation schedules should not be used to justify subdivision approvals.

Recommended policy C-1.2 calls for a five-year review of the CFIP. Given the uncertainties cited above and the exponential increase in road costs, this is inadequate.

When the General Plan Update process began, county staff estimated a \$200 million shortfall in funds for road maintenance and repair on the county road system. Within less than eight years, that shortfall has grown to \$500 million. At the county's current level of investment of \$2 million annually in road repair and maintenance, it would take 250 years to repair existing roads, far longer if costs continue to escalate.

Costs for new roads are just as volatile. For example, when voters rejected a proposed TAMC sales tax in spring of 2006, widening of Highway 156 was projected to cost \$197 million. By the fall of 2006, that cost was revised to \$350 million.

"Fair-share" development fees based upon an inaccurate CFIP that is reviewed in five-year cycles will never provide adequate funding for roads. The funding gap created in the interim will shift costs and deteriorating levels of service to existing residents. The subcommittee's statement (page 12) that "new development should neither increase costs for existing residents and businesses nor reduce their quality of service by any significant amount" cannot be accomplished under the CFIP policies proposed by the subcommittee. The CFIP should be reviewed every two years.

Pass-Fail Evaluation System

Development outside of Rural Centers, Community Areas and Affordable Housing Overlays will be governed by a pass-fail evaluation system, though no deadline is established for developing or implementing the pass-fail system. A deadline should be established for developing and implementing the pass-fail system.

Infrastructure Review for Minor Subdivisions

Residential development within Rural Centers and outside of Rural Centers may proceed without regard to infrastructure financing as long as those developments are 5 units or smaller and as long as 1/3 of the units are affordable [LU-1.19(i)(1)]. The same policy applies to land outside of Community Areas. These policies essentially exempt minor subdivisions from any analysis concerning their impact on infrastructure. The cumulative impacts of minor subdivisions have led to the critical lack of sufficient infrastructure in North County, the Highway 68 Corridor, and

Carmel Valley. <u>Minor subdivisions in these areas should be assessed concerning infrastructure in the same manner in which major subdivisions are evaluated</u>.

Affordable Housing Overlays

LandWatch supports the Affordable Housing Overlays in principle with the understanding that significant effects relating to traffic, noise, air quality, flooding and water supply/quality can be mitigated.

We estimate that the total number of units that could be approved within the Carmel Valley AHO Districts is about 1,520 (10 units/acre after reducing total acreage by 20% for roads, etc.). Based on the requirement that projects would be within the overall build-out for the Valley, there are about 250 units remaining that could be built. (Data from the Carmel Valley Traffic Improvement Program DSEIR and updated to reflect all projects approved but not built and vacant lots of record.) Therefore, we recommend that the AHO Districts in Carmel Valley be limited to a combined total of 250 units.

The AHO Districts in the vicinity of the Monterey Airport would allow more than 1,000 units. The recommendations note the potential impacts on traffic, i.e., (p. 20) "In these specific cases, the potential for some increase to local traffic is offset by these considerations." The addition of more than 10,000 daily car trips on Highway 68 would create more than "some increase in local traffic" on a Highway that already operates at LOS F during commute hours. We recommend that development within the AHO District in the vicinity of the Monterey Airport be delayed until projects raising the LOS to D on Highway 68 are constructed. Projects could include Bus Rapid Transit currently being studied by TAMC.

Affordability Term/Equity Sharing Provisions

The Ad-Hoc Subcommittee's recommendations for the long-term protection of affordable units built in redevelopment project areas and under the Affordable Housing Overlay Program are clear. They must comply with State Redevelopment law. Long-term protection for other inclusionary units, however, is unclear. LU-2.a states:

Units with affordability restrictions in all other areas (other than those where State Redevelopment law governs) shall conform to the following guidelines:

a) Remain affordable for a minimum 30-year term with a graduated Equity Sharing Program beginning after 15 years that increases based on the length of ownership.

The language above is misleading. It implies that affordable homes will remain affordable for a minimum of 30 years, but if the Equity Sharing Program is utilized by a homeowner after 15 years, that home will have remained affordable for only 15 years. We urge the Planning Commission to make the long-term protection requirements for all affordable housing units comply with State Redevelopment law.

Cultivation on Steep Slopes

The policies proposed in GPU5 allowed cultivation on slopes over 15-30% with a permit. Slopes greater than or equal to 25% comprise over 900,000 acres in Monterey County. Of that total,

approximately 500,000 are on unprotected slopes. Cultivation of these slopes negatively impacts erosion, water quality, the water recharge and water supply, wildlife corridors, and biodiversity.

We urge the Planning Commission to retain 1982 Policies (as implemented by Title 21) concerning cultivation on Steep Slopes.

CONCLUSION

LandWatch Monterey County urges the Planning Commission to make the following changes to its recommendation for GPU5:

- 1. Change the specific densities in the Area Land Use maps relevant for North County, the Highway 68 Corridor, and Carmel Valley to preclude subdivisions resulting in new parcels of less than 40 or perhaps 20 acres.
- 2. In North County, the Highway 68 Corridor, and Carmel Valley, new subdivisions should not be approved until the water systems intended to meet the long-term need are actually operational and providing the water needed.
- 3. Include policies/criteria to explicitly prohibit development that would degrade service below LOS C in areas that are currently at LOS C or better.
- 4. Establish criteria to ensure that increased development in CAs and in AHOs will not lower the LOS D standard at the intersections of major regional and/or state roadways.
- 5. Establish benchmarks, in addition to the completion of the CFIP, to ensure that LOS D will be achieved by 2026.
- 6. The CFIP, or a more limited plan that would show "the planned roadway improvements that will exist to service build-out," should be completed in conjunction with and as part of the General Plan.
- 7. Include a policy clarifying that conceptual infrastructure plans absent real funding and implementation schedules shall not be used to justify subdivision approvals.
- 8. Require the CFIP to be reviewed every two years.
- **9.** Establish a deadline for developing and implementing the pass-fail system.
- 10. Ensure that Minor Subdivisions in North County, the Highway 68 Corridor, and Carmel Valley are assessed concerning infrastructure in the same manner in which major subdivisions are evaluated.
- 11. Limit the AHO Districts in Carmel Valley to a combined total of 250 units.
- 12. Postpone development within the AHO District in the vicinity of the Monterey Airport until projects raising the LOS to D on Highway 68 are constructed.

- 13. Require long-term protection rules for all affordable housing units to comply with State Redevelopment law.
- 14. Retain the 1982 Policies (as implemented by Title 21) concerning cultivation on Steep Slopes.

Thank you for considering our comments.

Sincerely,

Chris Fitz, Executive Director LandWatch Monterey County