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2015 April 27, 2015

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Teri Wissler Adam, Contract Project Manager
City of Seaside, Resource Management Department
440 Harcourt Avenue
Seaside, CA 93955

RE: March 2015 Public Review Draft Environmental Impact Report for the Proposed

Monterey Downs and Monterey Horse Park and Central Coast Veterans Cemetery Specific Plan and Related Applications

Dear Ms. Wissler Adam:

Thank you for this opportunity to comment on the subject Draft Environmental Impact Report (EIR). The City of Seaside is acting as the Lead Agency for this project pursuant to the California Environmental Quality Act (CEQA). The project description within the EIR states that this project involves applications from Monterey Downs, LLC, to the City of Seaside for a Specific Plan, General Plan Amendment, Zoning Amendment, Planning Area and Sphere of Influence Amendment, Rezoning and Annexation.

The Local Agency Formation Commission of Monterey County (LAFCO) is a CEQA Responsible Agency with regulatory authority for future applications for the proposed City of Seaside Sphere of Influence amendment, annexation, and related actions. It is in this role that LAFCO is commenting on the EIR.

LAFCO's statutory authority is derived from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000, et seq.). Among the purposes of the Local Agency Formation Commission are: Discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (section 56301).

In October 2012, LAFCO submitted comments on the Notice of Preparation for this EIR. The Draft EIR addresses many of the subject areas identified in LAFCO's 2012 comments, but omits analysis of the proposal's conformance to certain LAFCO policies listed below. LAFCO also requests that the Final EIR address comments related to the project description and potential environmental effects. Recommended corrections to the EIR's description of LAFCO's role and processes, and information about future City-LAFCO procedural coordination, are also provided herein.

PROJECT DESCRIPTION

It is our understanding that the entire project area being considered by the City of Seaside covers approximately 710.5 acres. Approximately 148 acres of the project site are currently within the City limits, and the remaining 562.5 acres are in the unincorporated County of Monterey. The EIR states that the City will prepare a request for a Sphere of Influence amendment and an annexation to bring the unincorporated portion of the project within the City limits. LAFCO's 2011 Municipal Service Review for the City of Seaside anticipated that an expansion of the City's Sphere of Influence and an annexation may be requested for the current proposal area. As discussed below, please expand the project description, and analysis of impacts, to

include all anticipated Sphere of Influence amendments, annexations, and detachments related to the proposed project.

Proposed Detachments from Special Districts

LAFCO's future consideration of the City's Sphere of Influence amendment and annexation applications will necessarily include consideration of related actions for special districts. The EIR (page 2-64) states that the scope of the request for LAFCO approval will include proposed detachment of the project site (or portions thereof) from the following special districts:

- Monterey County Regional Fire Protection District,
- Resource Conservation District of Monterey County, and
- Monterey Peninsula Water Management District (referenced in row 2 of Table 4.9-7, but omitted from page 2-64 of the Project Description section).

However, the EIR does not explain why the proposed detachments are warranted, and does not evaluate the potential effects of detachment. LAFCO's 2012 comment letter (page 2) specified that the Fire Protection District detachment action "should be specified in the project description **and analyzed in the EIR**" (emphasis added).

LAFCO's 2012 comment letter also stated "Given the extensive natural resources in the project area, the EIR should also **consider the alternative of retaining the Resource Conservation District** in this instance." The letter also recognized that only a portion of the project area is currently within the Sphere of Influence and boundaries of the Monterey Peninsula Water Management District, and stated that "Consideration should be given to analyzing whether the District's current boundaries should be maintained, amended to include all of the proposed project area, or amended to exclude all of the proposed project area. **The analysis and any proposed action should be reflected** within the project description."

The EIR includes these detachments in the list of LAFCO-related discretionary approvals but does not explain why detachment was identified as the most appropriate option and does not evaluate the potential effects of such actions on the physical environmental or on the agencies' operations. The EIR notes that "Other agencies in addition to Seaside and California Department of Veterans Affairs are expected to use the EIR in their decision making process." However, if the EIR does not adequately analyze impacts related to future LAFCO approvals, it may be necessary for LAFCO to require supplemental environmental analysis from the City or from the districts at the time of future LAFCO applications.

Marina Coast Water District (MCWD) / Seaside County Sanitation District (SCSD)

LAFCO's 2012 comment letter noted that "No portion of the 710.5 acre Monterey Downs site is currently within the boundaries or Sphere of Influence of any special district providing water or wastewater services. One or more special districts need to be identified for potential expansion to deliver these services. The EIR should clearly identify and analyze the special district Sphere of Influence amendment(s) and annexation(s) necessary to provide water and wastewater services to the project area. The analysis should include an analysis of physical and financial capacity of the agency(ies) that will provide these public services."

The EIR identifies MCWD as the anticipated provider of water and potentially wastewater services for the project area, and states that either MCWD or SCSD could provide wastewater services. The project area is located outside both districts' existing boundaries and Sphere of Influence. The question of which district would be the most feasible and appropriate wastewater service provider to this site is under discussion by the two districts, and should be resolved prior to LAFCO action on the proposal. The EIR should, to the extent possible, identify and evaluate any foreseeable environment impacts that may result from either MCWD or SCSD (or both) being the providers of municipal services to the project area.

Without this analysis, it may be necessary for LAFCO to require supplemental environmental analysis from the City, or from the districts, at the time of future LAFCO applications.

Similarly, MCWD currently serves the proposal area under 1990s contractual agreements with the Fort Ord Reuse Authority. However, the Fort Ord Reuse Authority is scheduled to sunset out of existence by 2020. The EIR should therefore discuss and evaluate whether MCWD is anticipated to annex the project site or provide future services through contractual agreement with the City or by another mechanism.

POTENTIAL ENVIRONMENTAL EFFECTS

Land Use and Planning

Pursuant to State law, LAFCO has adopted local “*Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization.*” A complete set of the adopted local LAFCO standards was provided with LAFCO’s 2012 comment letter, and can also be found at <http://www.monterey.lafco.ca.gov/>.

LAFCO’s 2012 comment letter requested that the EIR analyze the proposed project’s consistency with relevant sections of LAFCO’s adopted *Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization.* In considering an application, LAFCO will consider the adopted local policies and procedures.

The EIR included, in Table 4.9-7, a limited analysis of project conformance with selected LAFCO policies. However, the table omitted several key LAFCO policies that are integral to presenting a complete view of the project’s conformance to relevant LAFCO policies. The omitted policies included all policies related to Spheres of Influence, policies relating specifically to proposals in the former Fort Ord, and policies regarding preservation of open-space and agricultural lands, jobs-housing balance, and groundwater standards.

LAFCO requests that Table 4.9-7 be revised to address the adopted LAFCO policies listed below. As provided in 2012, these are the most relevant policies that are intended in part to avoid or mitigate potential environmental impacts. The request to identify any inconsistencies of the proposed project and the relevant local policies is made pursuant to the CEQA Guidelines (Appendix G, Section X).

- a. The adopted Sphere of Influence shall reflect city and County General Plans, plans of regional agencies, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary or service area of an affected agency unless those plans or policies conflict with the legislative intent of the Act. [LAFCO *Policies and Procedures*, section C.II.7]
- b. For annexations and Sphere of Influence applications ... LAFCO shall consider ... whether the city ... has included certain goals, policies, and objectives into its General Plan that encourage mixed uses, mixed densities, and development patterns that will result in increased efficiency of land use, and that encourages and provides planned, well- ordered, efficient urban development patterns. [LAFCO *Policies and Procedures*, sections C.IV.15 and D.XIII.1]
- c. [In the former Fort Ord area] LAFCO encourages Sphere proposals that will facilitate initial development efforts which focus on existing facilities and developed areas; locate future urban uses adjacent to existing urban areas; phase development based on the availability of urban services and infrastructure; create a positive jobs/housing balance; provide fiscal resource capabilities, and lead to urban patterns that complement objectives and goals of air quality, transportation, and housing plans of affected local and regional agencies. [LAFCO *Policies and Procedures*, section C.VII.1]
- d. [In the former Fort Ord area] LAFCO will encourage Sphere proposals that consider region-wide goals with local agencies’ ability to provide service. LAFCO will encourage Sphere proposals that promote equitable distribution of the costs of regional facilities, related benefits, and cover all service impacts. [LAFCO *Policies and Procedures*, section C.VII.2]
- e. [In the former Fort Ord area] LAFCO ... will develop and determine Spheres of Influence for Cities ... in such a manner as to balance the need to promote cost-effective logical urban

expansion and economic recovery with the objective of promoting the long-term preservation and protection of the County's 'Resources.' LAFCO believes the public interest will be best served by considering "Resources" in a broad sense to include open space, recreational opportunities, wildlife, agricultural land, and fiscal resources. [LAFCO *Policies and Procedures*, section C.VII.3]

- f. LAFCO shall discourage proposals that would have adverse financial impacts on the provision of governmental services or would create a relatively low revenue base in relationship to the cost of affected services. Applications shall describe related service and financial impacts (including revenues and expenditures) on the County, cities, and/or special districts and provide feasible measures which would mitigate such adverse impacts. [LAFCO *Policies and Procedures*, section D.VII.1]
- g. Applications must indicate that the affected agencies have the capability to provide service. [LAFCO *Policies and Procedures*, section D.VII.3]
- h. LAFCO discourages proposals which will facilitate development that is not in the public interest due to topography, isolation from existing developments, premature intrusion of urban-type developments into a predominantly agricultural area, or other pertinent economic or social reason. [LAFCO *Policies and Procedures*, section D.VII.6]
- i. It is the policy of LAFCO to encourage and to seek to provide for planned, well-ordered, efficient urban development pattern while at the same time remaining cognizant of the need to give appropriate consideration to the preservation of open space and agricultural land within such patterns. [LAFCO *Policies and Procedures*, section D.IX.1]
- j. A Proposal must discuss how it balances the State interest in the preservation of open space and prime agricultural land against the need for orderly development. [LAFCO *Policies and Procedures*, section E.II.1]
- k. Proposals must demonstrate through both quantitative and qualitative methods the relationship between the Proposal and the surplus or deficiency of local and county-wide housing supply and demand, and employment availability and creation. [LAFCO *Policies and Procedures*, section F.II]
- l. The Proposal must demonstrate how its pattern of land use and transportation complements local and regional objectives and goals for the improvement of air quality and reduction of greenhouse gas (GHG) emissions and local vehicle miles traveled (VMT). [LAFCO *Policies and Procedures*, section F.II]

LAFCO's 2012 comment letter requested that information required by LAFCO's Groundwater Standards be provided either as part of the EIR or within a future application to LAFCO. Informational requirements are listed in the LAFCO *Policies and Procedures*, section D.X.2. [CEQA Guidelines section 15064 and Appendix G.XVII Utilities and Service Systems; LAFCO *Policies and Procedures*, section D.X.2] Provision of the project-related informational requirements at the LAFCO application stage is timely. However, LAFCO requests that table 4.9-7 of the EIR include an analysis of the project's conformance to LAFCO's groundwater-related Policy Statements, listed below.

- m. LAFCO will encourage boundary change proposals involving projects that use reclaimed wastewater, minimize nitrate contamination, and provide beneficial use of storm waters.
- n. LAFCO will encourage proposals which have incorporated water conservation measures. Water conservation measures include drought tolerant landscaping, water-saving irrigation systems, installation of low-flow plumbing fixtures, retrofitting of plumbing fixtures with low-flow devices, and compliance with local ordinances.
- o. LAFCO will encourage those proposals which comply with adopted water allocation plans as established by applicable cities or water management agencies.

- p. LAFCO will encourage those proposals where the affected jurisdiction has achieved water savings or new water sources elsewhere that will off-set increases in water use in the project site that would be caused by the proposal.
- q. LAFCO will discourage those proposals which contribute to the cumulative adverse impact on the groundwater basin unless it can be found that the proposal promotes the planned and orderly development of the area.
- r. LAFCO will discourage those boundary change proposals which, when considered individually and after taking into account all mitigation measures to be implemented with the project, still cause a significant adverse impact on the groundwater basin.

Cumulative Impacts

Please analyze the potential cumulative impacts of the project on the surplus or deficiency of local and county-wide housing supply and demand, and employment availability and creation in order to determine the cumulative transportation and air quality impacts of the proposed project. [CEQA Guidelines section 15064 and Appendix G.XIII Population and Housing; LAFCO *Policies and Procedures*, section F.II]

RECOMMENDED TEXT CORRECTIONS

Current text in the Draft EIR inaccurately describes LAFCO's regulatory framework. LAFCO requests that the following corrections, shown in strikethrough and underline format, be incorporated into the Final EIR.

Page 4.9-24, last paragraph

California Government Code Section ~~56425~~ and ~~56668~~ identifies determinations that must be made and factors that must be considered ~~to~~ as part of LAFCO's review of a proposals for Sphere of Influence Amendments and annexations. These ~~factors~~ provisions of law are considered the legislative basis for LAFCO's Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization (LAFCO Policies and Procedures) (adopted most recently updated February 25, 2013), which is intended to guide LAFCO's review and consideration of requests for SOI amendments and changes in of organization/reorganization.

Page 4.9-35, Impact Analysis

The Project's proposed actions require LAFCO approval. The City of Seaside would, by resolution, initiate LAFCO proceedings for rezoning, annexation, and a SOI amendment and concurrent annexation, and direct City staff to file LAFCO by petition with the Monterey County LAFCO for reorganization of the City of Seaside's boundary and service districts. A formal LAFCO Annexation applications, must be submitted to Monterey County LAFCO. LAFCO staff will circulate the proposal for review and comment by affected agencies and other interested parties. Ultimately, the Commission will hold one or more public hearings to consider the proposal. The Commission will make determinations as to the proposal's conformance with the requirements of State law and all applicable ~~Strict adherence to~~ LAFCO's Policies and Procedures, must be demonstrated as part of annexation approval and will approve or deny the SOI and annexation proposal accordingly. Table 4.9-7, LAFCO Consistency Analysis, provides ~~an~~ the City of Seaside's analysis of the Project's consistency with LAFCO standards adopted for the purpose of avoiding or mitigating an environmental effect. As concluded by the City for purposes of this EIR in Table 4.9-7, the Project is consistent with the relevant LAFCO standards and no impact would occur in this regard. As part of its consideration of a future City SOI and annexation proposal and any related special district boundary changes, LAFCO, in its role as a CEQA Responsible Agency, will review these and other findings in the EIR and will reach its own conclusions on whether and how to approve the proposal.

COORDINATION OF CITY AND LAFCO PROCESSES

Formal submittal of applications to LAFCO for consideration of City and special district Sphere of Influence amendment and annexation actions will be initiated after the City of Seaside completes its environmental review, planning, and rezoning actions. However, the City is encouraged to begin preliminary coordination steps while the Draft EIR is under preparation.

A highly recommended early step is a pre-application meeting between City and LAFCO staff to review issues, processes and application requirements. Items to be discussed would include policy issues; the required City-County Consultation prior to submitting any Sphere of Influence applications to LAFCO (Government Code section 56425); any plans for the phasing of annexations; information on the ability of local agencies to provide needed public services; proposed public services and public facilities financing plans; coordination with special districts; the required City-County Tax Transfer Agreement; EIR status; application processing costs for staff, counsel and other LAFCO expenses; City-LAFCO schedules; coordination with LAFCO Municipal Service Reviews as may be required; indemnification agreements, etc.

We appreciate this opportunity to provide comments. Please continue to keep us informed throughout the City's processes. LAFCO's Executive Officer, Kate McKenna, would be pleased to meet with City staff and consultants for more detailed discussions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Snodgrass', written over a horizontal line.

Steve Snodgrass
Chair

cc: John Dunn, Seaside County Sanitation District
Bill Kocher, Marina Coast Water District
Paul Robins, Resource Conservation District of Monterey County
David Stoldt, Monterey Peninsula Water Management District
Chief Michael Urquides, Monterey County Regional Fire Protection District
Mike Novo, Monterey County Planning Department