3 Introduction

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4 This chapter provides a discussion of the population and housing issues related to the Proposed

5 Project and the 130-Unit Alternative in the Carmel Valley. This chapter includes a review of existing

6 conditions based on available literature and a summary of local, state, and federal policies and

7 regulations related to population and housing. Analyses of the environmental impacts of the

8 Proposed Project and the 130-Unit Alternative are discussed in this section.

9 Impact Summary

10 **Table 3.12-1** provides a summary of the potential population and housing impacts of the Proposed

11 Project and the 130-Unit Alternative. As shown in **Table 3.12-1**, the Proposed Project and the 130-

12 Unit Alternative would have no significant adverse impacts related to population and housing within

13 the project area.

14 Table 3.12-1. Population and Housing Impact Summary

Impact	Proposed Project Level of Significance	130-Unit Alternative Level of Significance	Mitigation Measure	Level of Significance after Mitigation
A. Induce Population Growth POP-1: Induce Substantial Population Growth In Excess of Adopted Land Use Plans And That Would Result in Significant Secondary Physical Effects on the Environment	Potentially significant (for induced traffic)	LTS	None feasible to avoid all traffic impacts (Proposed Project) None	SU (for traffic for Proposed Project
B. Cause Displacement of People or			required (130-Unit Alternative)	-
Housing POP-2: Displacement of Existing Housing or Population	LTS	LTS	None Required	

1 Environmental Setting

2 **Population Trends**

- 3 According to the U.S. Census, the total population of Monterey County was 415,057 for the year
- 4 2010, a 3% increase from the 2000 Census. The project site is located within Census Tract¹ (CT)
- 5 116.02. **Table 3.12-2** shows population numbers for 2000 and 2010 and projected population
- 6 estimates for 2020 and 2030 based on U.S. Census and Association of Monterey Bay Area
- 7 Governments (AMBAG) projection data for the County, Carmel Valley Village², Carmel Valley³,
- 8 Carmel-by-the-Sea, and CT 116.02.

Area	Population, 2000	Population, 2010	Population, 2020 estimate	Population, 2030 estimate
Monterey County	401,762	415,057	447,516	479,487
Census Tract 116.02 ⁴		5,266		
Carmel-by-the-Sea	4,081	3,722	3,541	3,789
Carmel Valley Village CDP (Census Designated Place)	4,700	4,407		
Carmel Valley CCD (County Census Division)	6,281	5,933		
Unincorporated Monterey County	100,252	100,213	102,847	104,028

9 Table 3.12-2. Population Trends in Monterey County by Area

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11 Between 2010 and 2035, the population of the County as a whole is expected to increase with a

compound annual growth rate of 0.71% (Association of Monterey Bay Area Governments 2014).
 This will be date an enough 10.88% in growth state and a second data and a s

13 This will lead to an overall 19.28% increase in population by the year 2035.

14 Race and Ethnicity

- 15 Monterey County is an ethnically diverse community. In 2010, approximately 32.9% of the
- 16 population in Monterey County identified themselves as "white." Approximately 55.4% identified
- 17 themselves as "Hispanic or Latino" of any race. **Table 3.12-3** shows percentage of population in
- 18 Monterey County by race and actual numbers for 2010 (U.S. Census Bureau 2010).

¹ A Census Tract is a small, relatively permanent subdivision of a county. The boundaries of a CT may follow either visible features, governmental unit features, or other non-visible features. A Census Tract is designed to be a relatively homogenous unit with respect to population characteristics, economic status, and living conditions (U.S Census Bureau).

² Carmel Valley Village CDP is a census-designated place. A CDP is a "closely settled, named, unincorporated communit[y] that ... contain[s] a mixture of residential, commercial, and retail areas similar to those found in incorporated places of similar sizes" (U.S. Census Bureau).

³ Carmel Valley CCD is a census county division. A CCD is a "geographic statistical subdivision of [a] count[y] established cooperatively by the Census Bureau and officials of state and local governments," created in order to "establish and maintain a set of subcounty units that have stable boundaries and recognizable names" (U.S. Census Bureau).

⁴ Census Tract 116.02 was not documented in 2000 Census and is not mentioned in AMBAG projections.

Race	Population, 2010	Percentage, 2010	
Hispanic or Latino (of any race)	230,003	55.4%	
Not Hispanic or Latino	185,054	44.6%	
White	136,435	32.9%	
Black or African American	11,300	2.7%	
American Indian and Alaska Native	1,361	0.3%	
Asian	23,777	5.7%	
Native Hawaiian and Other Pacific Islander	1,868	0.5%	
Some Other Race	741	0.2%	
Two or More Races	9,572	2.3%	
Total population	415,057		

Table 3.12-3. 2010 Race Characteristics of Monterey County

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3 Employment and Income

In 2012, a total of 6,000 wage and salary jobs were created in Monterey County, representing an
increase of 3.6%. On an annual basis, this is the fastest increase since 1999, and total employment
has now surpassed its pre-recession peak. In 2012, growth was primarily driven by the farm sector,
which increased at a rate of 10.1%. The unemployment rate also improved, falling from 12.7% in
2011 to 11.5% in 2012. Between 2013 and 2018, job growth is expected to average 1.2% per year
(California Department of Transportation 2013).

10 Data from the 2009–2014 Housing Element indicates that 28 % of households within

11 unincorporated Monterey County were considered to be low or very low income⁵ (Monterey County

12 2010). **Table 3.12-4** describes the income and poverty status of the greater project area.

13 Table 3.12-4. 2012 Income Characteristics in Monterey County

Geographic Area	Median Household Income	Percentage at or below poverty		
County of Monterey	\$60,143	13.9%		
Census Tract 116.02	\$ 108,558	1.6%		
Carmel Valley Village	\$ 82,097			
Carmel Valley	\$ 81,129	8.9%		
Carmel-by-the-Sea	\$ 72,582	4.9%		

¹⁴

¹⁵ In 2012, the median household income for Monterey County (\$60,143) was slightly below the

¹⁶ statewide median during the same time (\$61,400) (American Community Survey 2008–2012).

Within CT 116.02, the median household income was approximately 35% greater than thecountywide median.

⁵ Very low income = households at or below 50% of areawide median income. Low income households are those that are between 51 and 80% of the areawide median income.

- 1 According to state and federal definitions, a household is considered to be overpaying for housing
- 2 when they spend more than 30% of their annual income on housing costs. In 2010, approximately
- 3 32% of all households within the County were overpaying for housing. The percentage of
- 4 households overpaying significantly increased with those making less than \$35,000 annually
- 5 (Monterey County 2010).

6 Housing

7 Future growth, including the creation of housing, is determined by the County and included in the

- 8 2010 Monterey County General Plan. The County experienced a significant growth in housing
- 9 between 1970 and 1980 as housing units were added at an average rate of 2,700 units per year
- 10 (Monterey County 2003). However, from 1990 to 2003, the housing pace slowed to an average of
- 11 1,048 new units per year (Monterey County 2003). Between October 2005 and 2006, 240 new
- housing units were developed in the unincorporated area of the County (Monterey County 2007).
 New housing permit applications slowed in 2009 (95 new housing permits were issued) after 239
- New housing permit applications slowed in 2009 (95 new housing permits were issued) after 239
 new housing permits were issued in 2008. There was a moderate recovery in new housing permits
- new housing permits were issued in 2008. There was a moderate recovery in new housin
 issued in 2010 at 169 permits (Monterey County 2011).
- Table 3.12-5 illustrates selected housing characteristics for the County, CT 116.02, Carmel Valley
 Village, Carmel Valley, and Carmel-by-the-Sea.

Geographic Area	Total Housing Units	Percentage Owner- Occupied Units	Percentage Renter- Occupied Units	Percentage for Seasonal or Recreational Use	Median Housing Value (2010\$)	Median Gross Rent (2010\$)
County of Monterey	139,048	50.9%	49.1%	3.7%	\$566,300	\$1,123
Census Tract 116.02	2,767	69.4%	30.6%		1,000,000+	1,728
Carmel Valley Village	2,156	70.0%	30.0%	5.0%	\$941,100	\$1,202
Carmel Valley	3,176	70.4%	29.5%	11.3%	\$953,200	\$1,289
Carmel-by-the-Sea	3,417	56.4%	43.6%	31.1%	1,000,000+	\$1,692

18 Table 3.12-5. 2010 Selected Housing Characteristics in Monterey County

19

In 2010, only 8.4% of all residential units in unincorporated Monterey County were multi-family
 units, while single-family units comprised 84% of the total housing stock (Monterey County 2010).
 Single-family units have accounted for the majority of new construction in the unincorporated areas
 of the County in recent years. Since 2000, there has been a decrease in mobile homes in the
 unincorporated areas (Monterey County 2010).

In 2002, 241 units in Carmel Valley were reported to be "affordable" rental housing units, and were designated for elderly, disabled, and family housing. No affordable housing units were available for homeownership within Carmel Valley (Monterey County 2003). In 2009, the County facilitated and assisted a number of affordable housing developments. These projects include Cynara Court (58 rental units in downtown Castroville); Sunflower Gardens—formerly called Casas del Sol (18 supportive housing units in Salinas); Axtell Apartments (58 rental units in Castroville), and the Campberg Daviest (44 units mean Saladed) (Mantenerg Caunty 2010)

31 Camphora Project (44 units near Soledad) (Monterey County 2010).

- 1 The median housing price in Monterey County was \$566,300 in 2010, whereas the median housing
- 2 price in CT 116.02 was \$1,000,000+ (U.S. Census Bureau 2010). It can be inferred from historical
- data, that the median housing price within CT 116.02 and Carmel Valley are significantly higher than
 the countywide median.
- 5 According to the AMBAG, Monterey County is projected to experience a higher percentage increase
- 6 in population and employment than housing within the next few decades. Between the planning
- 7 years of 2010 and 2035, the County as a whole will experience a population increase of 19.28%,
- 8 while housing stock will increase by approximately 13.62% (Association of Monterey Bay Area
- 9 Governments 2014).

10 Regulatory Setting

11 This section discusses the local policies and regulations that are relevant to the analysis of 12 population and housing issues of the Proposed Project and the 130-Unit Alternative.

13 Federal and State Regulations

14 There are no relevant federal or state policies or regulations that regulate housing and population-15 related resources that would apply to the Proposed Project or the 130-Unit Alternative.

16 Local Policies and Regulations

- 17 The 2010 Monterey County General Plan (2010 General Plan) and 2013 Carmel Valley Master Plan
- 18 (2013 CVMP) guide development in the project area. The General Plan encompasses all of the
- 19 unincorporated areas in the County. The following discussion summarizes the goals and policies of
- 20 the relevant general and master plans with respect to population and housing.

21 Current County Plans and Policies

22 2010 Monterey County General Plan

The 2010 General Plan presents goals and policies that guide the general distribution and intensity of land uses, including residential, agricultural, commercial and industrial, public facilities, and open space uses, for lands in the County outside the Coastal Zone (Monterey County 2010). The 2010 General Plan thereby enables the County to direct growth to areas within or near existing developed areas in order to preserve and minimize impacts on natural and agricultural resources, public services, and infrastructure.

- The 2010 General Plan Housing Element presents goals and policies intended to address housing
 related issues through the 2009–2014 planning period. The following policies are applicable to
 populations and housing resources, within and near the Project site.
- 32Goal H-3: Provide suitable sites for housing development which can accommodate a range of housing33by type, size, location, price, and tenure that achieves an optimal jobs/housing balance, conserves34resources, and promotes efficient use of public services and infrastructure.
- 35Policy H-3.2: Place the first priority for planning for residential growth in Community Areas near36existing or planned infrastructure to ensure conservation of the County's agricultural and natural37resources.

Policy H-3.4: Blend new housing into existing residential neighborhoods within established Community Areas, reflecting a character and style consistent with the existing areas and providing a diverse mix of price levels and unit types.

- *Policy H-3.7*: Work to achieve balanced housing production proportional to the job based housing demand in each region of the unincorporated areas.
- *Policy H-3.8*: Continue to explore collaboration with the cities to prepare growth strategies encouraging the development of a range of housing types within and adjacent to cities and near jobs in order to assure that housing will be available for all segments of the **population**.

9 2013 Carmel Valley Master Plan

10The 2013 CVMP was enacted as part of the 2010 General Plan and is intended to guide future land11use within the 2013 CVMP plan area boundary. Specifically the plan area boundary is defined as "the12primary watershed of the Carmel River from SR 1 to just east of Carmel Valley Village, except for the13upper reaches of Garzas Creek and Robinson Canyon" (Monterey County 2010). Key 2013 CVMP14land use policies and regulations relevant to the Proposed Project and 130-Unit Alternative are15noted below.

16 General Land Use

- CV- 1.6 New residential subdivision in Carmel Valley shall be limited to creation of 190 new units as follows:
 - a. There shall be preference to projects including at least 50% affordable housing units.
 - b. Lots developed with affordable housing under the Inclusionary Housing Ordinance or an Affordable Housing Overlay (Policy LU-2.12) may have more than one unit per lot. Each unit counts as part of the total unit cap.
- c. Existing lots with five (5) acres or more may have the first single family dwelling plus one accessory dwelling unit. Units added on qualifying existing lots shall not count as part of the total unit cap. New accessory dwelling units or single family dwellings beyond the first single family dwelling shall be prohibited on lots with less than five (5) acres, except that this provision shall not apply to projects that have already been approved, environmental review for such units has already been conducted, and in which traffic mitigation fees have been paid for such units prior to adoption of this Carmel Valley Master Plan.
 - d. New lots shall be limited to the first single family dwelling. Accessory dwelling units and single family dwellings beyond the first single family dwelling shall be prohibited.
- e. Of the 190 new units, 24 are reserved for consideration of the Delfino property (30 acres consisting of APN: 187-521-014-000, 187-521-015-000, 187-512-016-000, 187-512-017-000, 187-512-018-000, and 187-502-001-000) in Carmel Valley Village (former Carmel Valley Airport site) to enable subdivision of the property into 18 single family residential lots and one lot dedicated for six affordable/inclusionary units, provided the design of the subdivision includes at least 14 acres available for community open space use subject to also being used for subdivision related water, wastewater, and other infrastructure facilities.

39 Residential Land Use

CV-1.27: Special Treatment Area: Rancho Cañada Village – Up to 40 acres within properties located41generally between Val Verde Drive and the Rancho Cañada Golf Course, from the Carmel River to42Carmel Valley Road, excluding portions of properties in floodplain shall be designated as a Special43Treatment Area. Residential development may be allowed with a density of up to 10 units/acre in44this area and shall provide a minimum of 50% Affordable/Workforce Housing. Prior to beginning45new residential development (excluding the first unit on an existing lot of record), projects must

1address environmental resource constraints (e.g.; water, traffic, flooding). (APN: 015-162-017-000,2015-162-025-000, 015-162-026-000, 015-162-039-000 and 015-162-040-000, 015-162-033-000,3015-162-035-000, 015-162-036-000, 015-162-037-000, 015-162-038-000, 015-021-005-000).

4 Inclusionary Housing Ordinance

- 5 The County also assures consistent application of an Inclusionary Housing Ordinance (Chapter 18.40
- 6 of the Monterey County Code), which requires that 20% of units/lots in new residential
- 7 developments be affordable to very low, low, and moderate income households. The Inclusionary
- 8 Housing Ordinance applies to developments of three or more units/lots and exempts farm worker
- 9 housing and mobile home parks. Requirements of the Inclusionary Housing Ordinance can be met
- 10 through on-site provision, off-site provision, and payment of in-lieu fees. Developments of three or
- 11 four units/lots are expected to meet the inclusionary obligations through payment of in-lieu fees,
- although the developer has the option to build an inclusionary unit instead. Developments of five or
 more units/lots are expected to meet the inclusionary obligation through the development of
- 14 inclusionary housing units. Inclusionary units are restricted for affordability in perpetuity.

15 **Prior County Plans and Policies**

As stated in Chapter 1, *Introduction*, discussion pertaining to the 1982 General Plan and the 1986
 CVMP is provided for informational purposes only.

18 1982 Monterey County General Plan

19 Residential

29

- *Goal 27:* to encourage various types of residential development that are accessible to major
 employment centers and at locations and densities which allow for the provision of adequate public
 services and facilities.
- 23 *Objective 27.1:* Designate adequate sites for a variety of residential development
- 24Policy 27.1.1: Sufficient areas for residential use shall be designated consistent with the25County's growth policies and projections.
- 26 *Policy 27.1.3:* Residential development should be concentrated in growth areas.
- 27 Policy 27.1.4: If appropriate, high density residential areas shall be designated closest to
 28 urban areas or unincorporated communities.
 - Objective 27.2: Provide for adequate access and circulation within residential areas
- 30Policy 27.2.1: Residential areas shall be located with convenient access to employment,
shopping, recreation, and transportation. High density residential areas should also be
located with convenient access to public transit.

33 1986 Carmel Valley Master Plan

The 1986 CVMP is a component of the 1982 General Plan. The major function of the 1986 CVMP is to
 guide the future development of the valley using goals and policies that reflect an understanding of
 the physical, cultural and environmental setting of the area.

37 Residential Land Use

27.3.5 (CV): The Carmel Valley development limit shall consist of the existing 572 buildable lots of
 record, plus 738 additional lots which shall be subject to the quota and allocation system and the

policies of this Plan governing deduction from the quota for additional units, caretakers, senior
 citizen, and low and moderate income units. This constitutes the 20-year buildout allowed by this
 Plan. The existing lots of record shall include the remaining 150 lots in the amended Carmel Valley
 Ranch Specific Plan.
 27.3.6 (CV): All development proposals shall make provision for low or moderate income housing in

27.3.6 (CV): All development proposals shall make provision for low or moderate income housing in
accordance with the Inclusionary Housing Ordinance, except that all development shall build such
units on- site. Low and moderate-income residential units shall be counted as part of the total new
residential units and subtracted yearly from the quota and not the allocation.

9 27.3.9 (CV): Projects for low- or moderate-income family housing shall be exempt from any annual
10 allocation provisions, but shall be subtracted from the 20-year buildout quota on a basis of one such
11 unit reducing the remaining buildout by one unit.

12 Impact Analysis

13 Methods of Analysis

Identifying a project's impacts on population and housing involves a review of the AMBAG's 2014
 population, housing, and employment projection forecasts and the U.S. Census data for 2000 and
 2010.

17 Criteria for Determining Significance

In accordance with CEQA, State CEQA Guidelines, applicable local plans and policies, and agency and
 professional standards, a project impact would be considered significant if the project would:

20 A. Induce Population Growth

Induce substantial population growth in an area, either directly or indirectly, in excess of that
 anticipated in local land use plans, and that would result in significant secondary physical effects
 on the environment.

24 B. Cause Displacement of People or Housing

- Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.
- 27 I Displace substantial numbers of people, necessitating the construction of replacement housing
 28 elsewhere.

1 Impacts and Mitigation Measures

2 A. Induce Population Growth

3 Impact POP-1: Induce Substantial Population Growth In Excess of Adopted Land Use Plans

- 4 and That Would result in Significant Secondary Physical Effects on the Environment.
- 5 (Significant and Unavoidable for the Proposed Project; less than significant for the 130-Unit
- 6 Alternative)

7 Proposed Project

8 The Proposed Project would result in the addition of 281 residential units within the project area

- 9 and would accommodate an approximate 849 residents. According to AMBAG, Monterey County is
 10 expected to experience an approximate 15% growth increase between the planning years 2010 and
- 11 2030 (Association of Monterey Bay Area Governments 2014). Specifically, unincorporated Monterey
- 12 County (which includes Carmel Valley) is anticipated to experience a 4% growth increase (a
- 12 County (which includes carmer valley) is anticipated to experience a 4% growth increase (a 13 population increase of 3,815) between the planning years 2010 and 2030 (Association of Monterev
- 13 population increase of 3,815) between the planning years 2010 and 2030 (Association of Monterey 14 Bay Area Governments 2014). The population upon build-out of the Proposed Project would account
- 15 for approximately 20% of the projected growth for the unincorporated area of the County.
- The Proposed Project would include 56 Affordable and Workforce units (20% of the total of 281 units) dedicated to inclusionary housing (6% of houses for very low-income, 6% of houses for low-income, and 8% of houses for moderate-income households), and 84 units (30% of the total)
 dedicated to Workforce I and II housing. Thus, the Proposed Project would meet and exceed the requirements in the Inclusionary Housing Ordinance.
- The proposed addition of 281 new residential units would induce population growth by creating
 housing opportunities in excess of what is currently available. However, this increase would not be
 substantially above the level of development currently projected by AMBAG for the region.
- 24 However, the 2013 CVMP Policy CV-1.6 only allows for 190 units in the CVMP area from new 25 subdivision. The Proposed Project's 281 units would exceed that limitation and thus the project 26 would result in an exceedance of 91 units of the planned residential growth in the 2013 CVMP (see 27 **Appendix E**). Therefore, approval of the Proposed Project would require the County to amend 28 CVMP Policy CV-1.6 to allow for the creation of 305 new residential subdivision units in CVMP. The 29 increase would accommodate the 281 units for the Proposed Project and the 24 units reserved for 30 the Delfino property which would be an increase of 125 housing units in the CVMP area above that 31 allowed by the current plan.
- 32 Inconsistency with land use policies is not inherently considered a significant physical impact on the 33 environment under CEQA unless the policy was adopted for the purpose of avoiding a significant 34 physical impact and the project exceedance would result in a new significant physical impact or 35 would make an existing significant impact substantially more severe. The housing unit limitation in 36 the CVMP has a role in managing physical impacts, including water supply and traffic along Carmel 37 Valley Road and adjoining roads. While the Proposed Project would not have a significant impact on 38 water supply (see discussion in Chapter 3.10, Public Services, Utilities and Recreation) it would result 39 in certain significant unavoidable traffic impacts, especially where current traffic conditions already 40 exceed CVMP standards. As such, the exceedance of Policy CV-1.6 would result in growth
- 41 inducement beyond local planning policies and this would contribute to significant traffic impacts.

- 1 As this is primarily a traffic impact, the consideration of mitigation is provided in Chapter 3.7
- *(Transportation and Traffic)*; as concluded therein, even after mitigation, this is considered a
 significant and unavoidable impact.

4 130-Unit Alternative

- 5 The 130-Unit alternative would comply with the County's Inclusionary Housing Ordinance and
 6 provide 20% of the proposed housing units as moderate inclusionary units.
- Similar to the Proposed Project, the 130-Unit Alternative would result in the addition of residential units in Carmel Valley. However, the number of residential units would be reduced from 281 to 130.
 The proposed addition of 130 new residential units would induce population growth by creating housing opportunities in excess of what is currently available. However, this increase would not be substantially above the level of development currently projected by AMBAG for the region.
- 12 As noted above, CVMP Policy CV-1.6 allows for 190 units in the CVMP area from new subdivision 13 from the time of adoption of the 2010 General Plan, of which 24 units are reserved for the Delfino 14 property. Through 2014, no units have been permitted or built, leaving 190 units for new 15 development and the 130-Unit alternative if approved, would leave a remaining 60 units for new 16 development, of which 24 units would be reserved for the Delfino property. Thus, the 130-Unit 17 alternative, including only the consideration of the 130 units at the Rancho Cañada site, would not 18 result in a higher level of housing or population growth in the CVMP area than anticipated in the 19 adopted CVMP. This impact would be *less than significant*. No mitigation is required.
- 20 The 130-Unit Alternative includes a proposal to transfer 60 acre-feet per year (AFY) of potable 21 water to Cal-Am. As discussed in Chapter 3.10, Public Services, Utilities, and Recreation, Cal-Am is 22 currently overwithdrawing water and there is no water available for new growth. Thus, the transfer 23 of the 60 AFY of potable water to Cal-Am would remove a barrier to growth and would induce 24 population growth in the region. However, the growth facilitated by the provision of water would 25 only be that which is allowed by local plans in Monterey County and within cities in Monterey 26 County where the water may be used. As such, the water transfer would induce growth, but not 27 growth in excess of that anticipated in local plans and thus, the impact would be *less than significant*. 28 No mitigation is required.
- Regarding the secondary impacts of induced growth on the environment, please see discussion inChapter 4 under *Growth Inducing Impacts*.

31 B. Cause Displacement of People or Housing

32 Impact POP-2: Displace Existing Housing or Population (less than significant)

- 33 Proposed Project
- The Proposed Project would be built on a golf course that does not currently support residential
 housing. No residences or individuals would be displaced by the Proposed Project. This impact
 would be *less than significant*. No mitigation is required.

37 130-Unit Alternative

38 Similar to the Proposed Project, the 130-Unit Alternative would be built on a golf course that does39 not currently support residential housing. Maintenance facilities are located on Lot 130. Therefore,

- 1 the 130-Unit Alternative would not displace residences or individuals. This impact would be *less*
- 2 *than significant*. No mitigation is required.